

## Mr Wilson cuts back on top salary recommendations

The Prime Minister yesterday refused to endorse in full the recommendations of the Boyle committee on top salaries, which would have given the chairmen of some nationalized industries £35,000 to £40,000. Higher civil servants, senior Service officers and members of the judiciary will get

only a proportion of the recommended 28.8 per cent increase and part of any rise taking a salary over £13,000 a year will be deferred for a year. The Houghton committee yesterday recommended a £400m pay award for teachers, which would give head teachers salaries up to £8,000.

## Increases in two stages

By George Clark  
Official Correspondent  
With his eye on the social contract, under which he wants to restrict their wage demands, Mr Wilson yesterday refused to endorse in full the recommendations of the Boyle Committee on the Review of Top Salaries, which would have given the chairmen of some nationalized industries salaries of £35,000 to £40,000. The first response of Labour politicians at Westminster last night portended a bitter party spate for the Government, because the Boyle report was not available until the House of Commons was about to rise for a Christmas recess, there were MPs on hand.  
But most of those who were expected to be in the van of the opposition, to their constituents at a time when the Government is struggling to establish and consolidate a policy of pay restraint for the unions under the social contract.  
The Boyle committee recommended the difficulties of establishing the political case for its recommendations: "There is no doubt that those who guard any large increase in salaries at the present time are in a difficult position."  
But whatever views may be held about the treatment of some and capital distribution a matter of overall national policy, we do not believe that it would be practicable or desirable for any government to lead a movement towards later equality from the public to its own."  
Any political storm over the report will be no less fierce because MPs will feel the report has compromised their own reference for higher salaries, announced on Thursday. It is the common experience of politicians that constituents are quick to think that members of the Establishment look after their own interests, while the mass of working people to tighten their belts.  
The effect of the Government's decision is that the her Civil Service, senior officers of the Forces, and members of the judiciary will get only a proportion of the recommended 28.8 per cent increase, and that part of any rise taking a salary over

To assess the effect of the proposed pay increases in terms of take-home pay is difficult, as it will vary according to each individual's personal circumstances. But, for instance, a High Court judge will get a rise in salary in July from £16,350 to £18,675. If he has a dependent wife and two children, a £15,000 mortgage and consequent life assurance, and assuming his marginal tax rate to be at the 68 per cent level, the rise will give him a real post-tax increase of £750 a year, or nearly £15 a week.

£13,000 a year will be deferred until January 1, 1975.

On the question of increases recommended for the chairmen and board members of nationalized industries, Mr Wilson, in a parliamentary written reply, said that the proposal raised the question of the level of incomes at chairman and board level in private industry, with which these nationalized industry salaries are compared.

The proposal of the review body was that the chairman of British Steel Corporation should have his salary increased from £27,750 to £40,000 a year, and the chairman of the Post Office should have a rise from £22,750 to £40,000.

Chairmen for whom a salary of £35,000 a year was recommended (present salaries in brackets): British Airways Board (£15,365, part-time); British Rail (£22,750); British Gas Corporation (£22,750); Electricity Council (£22,750); and National Coal Board (£22,750).

For the chairman of the Central Electricity Generating Board an increase from £20,750 to £33,000 was recommended.

In his written reply, the Prime Minister stated: "The Government accepts the review body's judgment that the chairman and board members of the major nationalized industries are at present earning substantially more than their counterparts in private industry."

In the Government's view, however, the social justification for some of the very high incomes paid in private industry would be questionable, whatever the economic circumstances of the country, and however great the responsibilities the individuals concerned are asked to bear, and this is particularly so when regard is had to the fringe benefits and benefits in kind which many of those concerned enjoy, to a greater extent than their counterparts in public service.

In current economic circumstances, when the great bulk of the employed population, on much lower income levels, are being asked to accept increases which fall within the guidelines set by the TUC in accordance with the social contract, it would be particularly difficult to justify the sort of increases that would result from applying to these incomes a percentage increase even as large as that of the rise in prices.

It is of the essence of the social contract, that if those who are least paid are to be enabled, within available resources, to improve their relative position, those who are most highly paid should accept the need for extreme restraint.

The Government therefore calls upon those concerned in the private sector, and in other parts of the public sector than those covered by the review body's report, to exercise the greatest possible degree of restraint in the determination of salaries at these top levels.

Mr Wilson said the Government recognized that the salary rates recommended by the review body were appropriate on the basis of the principles on which the body conducted its review.

But the Government had to consider the recommendations at a time of critical economic difficulty for the country, "and to strike a balance between that and its responsibilities for the efficient management of the public services, and its obligations as the employer of those who serve it."

The Prime Minister said that for the three groups, the Civil Service, the Armed Forces and the judiciary, the Government had accepted the salary rates recommended, for example, an increase from £16,350 to £18,675 for the permanent secretary of a ministry, but the change would be implemented in two stages, except at the lowest levels.

Mr Wilson said the difference between the assistant

Continued on page 2, col 1

## £400m proposed for teachers

Tim Devlin  
Education Correspondent  
A £400m pay award for the country's 550,000 teachers has been recommended by Lord Houghton's committee. In the House of Commons yesterday, Mr Wilson said the Government had accepted implications for expenditure. "I believe that it is just and fair and is a recognition of the contribution which teachers make to society," he said. "The recommendations will be accepted by the Government and other committees which negotiate teachers' pay. If they are, the heads of polytechnics and other colleges will get increases of between 40 and 60 per cent, giving principals of polytechnics more than £12,000 a year, more than university vice-chancellors. Polytechnic lecturers would also get their rewards than university teachers."

Head teachers will receive an increase of 32 per cent, bringing their salaries up to £8,000 a year, Lord Houghton estimates,

would be within the top 10 per cent of salary earners in the country.

But in comparison, fairly modest rises of between 15 and 20 per cent will be awarded to the 40 per cent of teachers on the bottom scale.

Mr Edward Britton, general secretary of the National Union of Teachers, welcomed the report but said the initial starting salaries were disappointing, as the committee had undervalued the importance of the three-year teacher training course.

Mr Terence Casey, general secretary of the smaller National Association of Schoolmasters, said: "It will enhance teaching as a career profession. It will make the thoughtless graduate look at teaching as a job which will give him decent rewards in about eight to 10 years after starting."

Mr Matthew Cammish, executive member of the National Association of Head Teachers, said they were disappointed with the starting salaries, which were deplorably low.

Dr Alex Smith, chairman of the committee of directors of polytechnics, said: "We are very pleased. The report opens up very big opportunities for a major advance in the development of polytechnics."

Mr Norman St John-Stevens, Opposition spokesman on education, welcomed the report as giving a fair deal for teachers but said the very large cost of the increases should be borne by the exchequer and not by the ratepayer.

Ronald Faux writes from Edinburgh: "The Houghton report recommendations are unlikely to end the disruption within the Scottish education system, which for several months has been affected by strikes and militant action by teachers."

Mr John Pollack, secretary-designate of the Educational Institute of Scotland, largest of the teachers' organizations, said the £41m offer to Scottish teachers fell short of what had been claimed.

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Leading article, page 11

## Provisional IRA calls an 11-day Christmas truce

From Stewart Tendler  
Belfast

The Provisional IRA's 11-day Christmas truce, due to begin tomorrow night, may contain the nucleus of a longer truce. After the announcement of the ceasefire yesterday some republican sources said that even the release of a number of internees, coupled with the maintenance of the low-key IRA terms of the ceasefire, could be enough to take it past January 2.

One result of the Dublin statement by the Provisionals is a likely increase in violence until midnight tomorrow. Last night bombers slipped through the security net in the centre of Belfast and placed five bombs in shops among Christmas crowds. Three exploded and two were defused.

The statement at midday yesterday was the direct result of a peace initiative started by Protestant clergymen a month ago when the Rev William Arlow,

deputy secretary of the Irish Council of Churches, was in touch with the Provisionals. Last week churchmen and Provisional leaders met at Feakle, Clare, and this week the churchmen saw Mr Rees. Later the gist of the discussions with the Secretary of State for Northern Ireland was reported back to the Provisional leadership.

Part of the Provisional IRA statement said: "While unable to agree to a total ceasefire at this stage, the army council have decided to order a suspension of operations from midnight on Sunday, December 22, to midnight, Thursday, January 2. This move has been prompted by the courageous and positive action of the church representatives whose approach, unlike that of others, was frank and constructive at all times. The truce is also designed to give the British Government an opportunity to consider these proposals for a permanent ceasefire."

The suspension of operations has been ordered on the clear understanding that a positive response will be forthcoming from the

British Government. We have noted a statement from Mr Rees to this effect, and we expect cessation of aggressive military action by Crown forces and an end to all raids, arrests, and harassments and no reintroduction of RUC personnel in uniform or plain clothes into areas where they are not acceptable.

Any breach of these terms will be considered as a refusal to accept the 11-day cessation and appropriate action will be taken to protect our people. We also trust that the British Government will avail itself of this opportunity for bringing to an end the evil of internment. The leadership of the Republican movement awaits a reply from the British Government to the proposals for a ceasefire.

If there is not a satisfactory answer by midnight, January 2, then the Irish Republican Army will have no option but to resume hostilities. Yesterday afternoon Mr Rees issued a statement on the ceasefire. He said he saw the churchmen on Wednesday and told them: "There were to be a genuine cessation of violence there would be a new situation to which the Government would naturally re-

spond. This remains the Government's position." Mr Rees said army activity would be related to the level of any action which might occur, and no specific undertakings would be given. He was not prepared to negotiate terms with anybody not elected to the former Assembly or the forthcoming Convention.

The IRA's proposals are based on their long-standing demands that a commitment to British withdrawal should be given, the Irish should be allowed to determine their own future and political prisoners should be released.

The Government could react to the reduction in violence created by the cease-fire by releasing a number of internees, not interfering any more people and maintaining low army activity, which the Army says it has been doing for some weeks, anyway.

Yesterday republican sources said that the "reply" men-

dioned in the Provisionals' statement could be covered by those government actions.

During the period of the cease-fire the Provisionals do not expect the army to stop patrolling or manning road blocks but they reason that a cease-fire would mean no need for more overt military action such as raids.

Apart from worries about an increase in violence today and tomorrow, the ceasefire may mean a new wave of sectarian killing. During the mid-1972 ceasefire this form of violence started.

It is understood that Provisional leaders in Belfast were in touch yesterday with "loyalists" groups and asked them to prevent this happening again.

The Protestant clergymen whose actions brought about yesterday's statement expressed pleasure at what had happened. The Church of Ireland Bishop of Connor, Dr Butler, said: "I am delighted we shall have this chance of a ceasefire, but there is a long way to go."

But the Rev Ian Paisley, leader of the Democratic Unionist Party, said: "The terms of the truce are terms of capitulation and surrender. The only reason the IRA are having a truce is because they have got what they wanted."

Mr Brian Faulkner, former Chief Executive and leader of the Unionist Party of Northern Ireland, said: "No temporary cessation can justify negotiations with the IRA."

Leading article, page 11

## Army defuses station bomb

A huge bomb that failed to go off last night could have caught hundreds of troops and commuters in its blast. The bomb containing 44 sticks of gelignite was planted at Aldershot railway station, Hampshire, as soldiers were passing through to start Christmas leave.

It was spotted within minutes and moved to an isolated spot while the town centre was sealed off and evacuated. The bomb was in a brown canvas hold-all left just inside the ticket barrier on the platform. It was spotted just after 6 pm by a railway worker.



Display figures in Selfridges window displaced by the bombing in Oxford Street, London, on Thursday night. Report, page 2.

## French move on gold valuation

France intends to revalue its gold reserves, possibly in January, M Jean-Pierre Fourcade, the French Finance Minister, said in Paris yesterday. This move follows closely the Shah of Iran's warning on Thursday that the revaluation of gold by the industrial nations would lead to a further sharp rise in the price of gold and endanger the international monetary system. It seems likely that the Middle East oil producers and the consuming countries are now on a collision course.

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## World court suit over French tests dropped

The World Court decided by nine votes to six, to drop the Australian and New Zealand lawsuits asking it to rule against France's atmospheric nuclear tests in the Pacific. It decided that the lawsuits' object, an end to the tests, had been achieved since France had announced a switch to underground testing. The dispute before the court therefore had ceased to exist.

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## £1 house deal stands

A High Court judge ruled yesterday that the act of a woman who sold her £45,000 Kensington house to her husband for £1 must stand. Mrs Noelle Mann had asked for permission to cancel the sale, which, she said, she made while in emotional distress because of the break-up of her marriage.

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Letters: On Britain and the Middle East, from the Director of the Jewish National Fund; On threats of economic collapse, from Mr Michael Spicer, MP.

Leading articles: IRA Christmas truce; Teachers' pay and top salaries.

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Geraldine Norman on why British Rail may be on the wrong track

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## Watergate jury hears final address

The Watergate trial is reaching its climax with the prosecuting lawyer delivering his final address. The jury will have two days off for Christmas and then begin to consider their verdict on Mr Richard Nixon's associates who are accused of conspiring to obstruct justice. After three months the strain is telling on everyone. The defendants, particularly Mr John Mitchell, the former Attorney General, look increasingly haggard and Judge Sirica is tiring.

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## Gatwick strike threat

All flights into and out of Gatwick, London's second airport, on Monday will be cancelled if a 24-hour strike planned by staff of the British Airports Authority goes ahead. The strike would be to support a claim for an allowance similar to the London weighting allowance.

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Addis Ababa: Ethiopia's new rulers publish their plans for turning the country into a socialist state.  
Washington: House of Representatives passes two Bills on trade with Russia in spite of protests from Moscow.

Industry study: A Commons sub-committee is to begin a "searching and wide-ranging investigation" into the British motor industry next year.

Ottawa: MPs' decision to grant themselves a rise in pay causes an uproar in Canada.

Sport: Admission to all of Manchester United's away matches will be by ticket only in an attempt to stop hooliganism.

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Stock markets: Property and bank shares were active, but lost most of early gains. The FT index added 0.2 to 163.5.

Personal investment and finance: Insurance: Cover for what the best-laid schemes go wrong: Law: On the art of getting something for nothing: Pensions: Benefits for dependants: Investor's week.

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## Consultants' talks fail and BMA calls for sanctions

John Roper  
Talks on a new contract for hospital consultants broke down yesterday in a stormy session last night between representatives of the profession and Mrs Castle, secretary of State for Social Services.  
Mrs Castle said later that the British Medical Association had rejected the Government's proposals and intended to recommend the introduction of sanctions from January 2. Many of a country's 11,000 consultants are likely to begin working to attract from that date.  
Mrs Castle deplored the BMA's not free to exercise its own judgment and consult individual members about the value of an offer before plunging patients to the National Health Service to the hazards of sanctions.  
As she understood it, the BMA's main objections were to the Government would not accept any item of a service contract and that they objected to any additional recognition given to a consultant who made himself totally available

to the health service.  
Dr Derek Stevenson, secretary of the BMA, said the Government offer was almost precisely the same as the original one, and amounted to a "take it or leave it" non-negotiable package.

They would send the proposals to all senior hospital staff, but would be there was some important change they would be advised to work to contract from January 2.

In the consultants' view the new contract did not meet their two main principles. The Government was still determined that those who worked full time in the NHS were to be paid extra money not for the extra work but because of total commitment to the state.

The effect of working to contract would be that consultants would work their usual contractual hours (33½ to 35½ a week) and would then cease. Every doctor would be available to continue if rehired through agencies set up by the BMA.

## Mr Rabin challenges Egyptian President to meet for discussions on peace

Tel Aviv, Dec 20.—Mr Rabin, the Israeli Prime Minister, said today that Egypt must decide within a few weeks whether it wanted to avoid further war. He challenged President Sadat to a face-to-face meeting to discuss the prospects for peace.

He was speaking at a businessmen's luncheon after military sources had reported that Egyptian submarines and missile boats had sailed through the Suez Canal, a sign that it would soon be open to traffic.

In an interview on American television yesterday President Sadat said that he wanted to achieve peace with Israel. Mr Rabin reported: "I would phrase my question to him this way: If you really want peace, why do you just say so for propaganda purposes on American television?"

"Why do you not rather take a real concrete step. Let us sit together in the presence of others with the purpose of the meeting and the dialogue being a peace between Egypt and Israel."

"If you, President Sadat, are arrested off the area and ready for that I am ready, at any place and at any time."

Military sources said that although some work remained in clearing away silt and war debris from the Suez Canal, it was nearly ready to accommodate Israeli shipping.

Israel leaders have said that Egypt could provide a concrete sign of its intentions to pursue peace by reopening the canal to civilian traffic and rebuilding the four towns along its sides.

A powerful bomb explosion wounded 12 people, two seriously, in central Jerusalem today.

The bomb exploded in Ben Yehuda Street, an avenue of cafés, shops and offices just after lunchtime when it was crowded with shoppers before the sabbath.

"There was a massive explosion, a lot of smoke and some panic," one eyewitness said. "People were rushing everywhere to get out of a hail of shattered glass." The police

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## National census to be taken in 1976

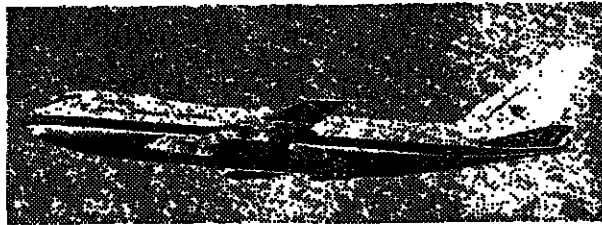
By Peter Evans  
Home Affairs Correspondent

A population census will be taken in 1976, Mr Castle, Secretary of State for Social Services, announced yesterday in a Commons written reply.

She said the decision had been taken "in view of the pressing need in the latter part of this decade for comprehensive and up-to-date information on which to base decisions over a wide range of social and economic policies at both national and local level."

The announcement will please local authorities and those government departments which have been pressing since 1971 to make the census a five-yearly event.

Mrs Castle has also overcome any doubts about spending the £20m needed in a period of governmental economy. It takes 18 months to prepare the census; 20 million forms have to be printed and 100,000 staff recruited.



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## HOME NEWS

## 'Searching' scrutiny of motor industry by MPs next year

by Our Political Staff

In the aftermath of government financial support for the motor industry, the trade and industry sub-committee of the Commons Expenditure Committee announced yesterday that they will be conducting an inquiry into the British motor industry. They plan "a searching and wide-ranging investigation lasting throughout the spring and most of the summer".

The subcommittee decided to be a particular interest in the structure and financing of the motor industry, its place in the economy and its significance for a balance of payments, its export performance and potential, labour relations, profitability, productivity, and public interest. Comparison will be made

with the motor vehicle industries overseas: and commercial vehicles, motor-cycles, and tractors will be included in the study.

Simultaneously, the general subcommittee, under the chairmanship of Mr Michael English, will be investigating the financing of public expenditure, covering public borrowing, taxation and oil. Because of the delicacy of some aspects of this inquiry it will not be open to the public.

The Select Committee on Nationalized Industries has decided to direct one subcommittee to examine the involvement of nationalized industries in the exploitation of North Sea oil gas, and a second subcommittee to examine the ownership, management, and use of shipping by nationalized industries.

## Heating restrictions to begin on January 13

Our Business News Staff  
Restrictions on heating levels in buildings and on the use of electricity for advertising in night hours, announced by the Secretary of State for Energy, Mr Peter Heath, will come into force on Monday, January 13.

The heating order prohibits the use of fuel or electricity to heat non-domestic premises above a temperature of 68°F (20°C) except under licence. The lighting order prohibits the use of electricity in daylight hours for illuminating advertising signs in windows or in the open except under licence.

## Hatwick strike threat to re-Christmas flights

Arthur Reed  
Correspondent  
Flights before Christmas into and out of Gatwick, the second airport, are threatened by a planned 24-hour strike by the British Airports Authority. The action is due to begin midnight tomorrow but will be over in time for air traffic to the airport to meet main holiday departure rush Christmas Eve.

on those services should check in at Gatwick at the normal times.

Short-haul services from Gatwick to Glasgow, Edinburgh, Manchester, Paris, Brussels, Amsterdam and Rotterdam will be cancelled during the strike.

Charter flights will operate, as will British Caledonian services out of provincial airports such as Glasgow and Newcastle to points other than Gatwick.

Passengers who would have used British Caledonian short-haul services have all been booked on other airlines, most of them on British Airways. Those who are not notified by the airline were asked yesterday to telephone Crawley 27890 for information.

If the suppage should be averted, British Caledonian will operate long-haul flights into and out of Gatwick as originally scheduled, but cancelled European and domestic services will not be reinstated.

## Prosecution of roadmurder 'a nullity'

Mr Elmer Griffiths, aged 54, a mental nurse, won an action in the High Court yesterday to nullify his conviction of assault on a private summons by a tent in Broadmoor, a convicted murderer.

Mr Griffiths, the Lord Chief Justice, presiding in the Queen's Bench Divisional Court, said the conviction of Griffiths, of Kildare, Surrey, by magistrates at Bracknell, Berkshire, November 19 was a nullity.

Mr Griffiths, he said, was ordered to an order quashing his conviction and setting aside his sentence, a conditional discharge. The court would make an order early in the new year, on full reasons would be given.

Mr Louis Blom-Cooper, QC, the patient, said he would be asking the court to leave to deal with the House of Lords. Mental nurses had claimed that Mr Griffiths's conviction was a nullity because of the protection given by the Mental Health Act, 1959, which provided that criminal proceedings did not have to be brought against a patient without leave of a High Court judge.

Mr Griffiths, at the magistrates' hearing, denied the patient's allegation that he struck him twice in the presence of his wife and children, and that he put out his arm to stop a patient leaving with the tent.

Mr Harry Woolf, for the Department of Health and Social Security, told the High Court yesterday that if the magistrates' conviction was right the administration of special mental hospitals and the work of the nurses would be very difficult.

## State cash plea to make hotels safe

Tim Jones  
Hundreds of small hotels will be closed unless government help is forthcoming to subsidize the cost of implementing the Fire Precautions Act, the British Hotels, Restaurants and Terriers' Association has said.

Hotels were given some relief this week when Mr Geoffrey Howe, Secretary of State for the Environment, moved an amendment to the Finance Bill allowing them to offset expenditure on safety measures against tax. But the association says that alone would not be sufficient to prevent many small hotels from closing.

## Last day for the recording angel of Westminster

By Philip Howard

The fastest pencil in Westminster laid down his notebook yesterday, when the Houses rose, and will retire from his official post as shorthand writer to the Houses of Parliament at the end of the year.

Mr Alan Kennedy has been the shorthand writer since 1951, and has been recording Parliament verbatim for more than 20 years, often having to scribble almost as fast as the speaker.

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## 'House for £1' deal must stand, judge says

Mrs Noelle Anne Mann, who sold her £45,000 house to her husband for £1 during a dispute, was told by a High Court judge yesterday that the transaction must stand.

Mr Justice Griffiths rejected the claim by Mrs Mann, aged 35, of Regent's Park, that her husband had been affected by her emotional distress over the breakdown of her marriage. Mrs Mann was ordered to pay the costs of the 10-day hearing, estimated at more than £10,000.

The judge pointed out that if the couple's divorce proceedings, his decision in the case would not prevent the divorce judge from making an order dealing with the house as he thought fit at the time.

"Some may think that Mr Mann has been less than charitable to his wife in not allowing her to change her mind on the transaction," the judge said, but it was not his function to pass judgment on that.

Was it an unfair bargain? "Here is a rich woman breaking up a nine-year marriage against the wish of her husband. She bought the house for £15,000, in which she spent the rest of her life."

"Her assets, apart from the house, are now worth over £200,000. He spent all his income and some of his capital maintaining the standard of living to which she was accustomed."

"He needs the house to carry on his business and does not have enough capital to buy a similar house of his own. Under the circumstances, did it seem so unfair asking that the wife should give the house to her husband?"

When, in 1964, they bought the house, in Lonsdale Square, Islington, she wanted it to be in their joint names and he wanted it to be in his wife's name. The money came from Mrs Mann's trust fund.

"To love as they were at that time," the judge said, "I don't think it mattered one iota to either of them who owned the house or in whose name it was. It was their home." The house had been put in Mrs Mann's name.

The judge was satisfied that in December, 1972, when Mrs Mann signed over the house to her husband, there had been much discussion about their financial affairs.

The judge disagreed that Mrs Mann's actions were those of a woman unable to think straight, and was satisfied that when Mrs Mann explained that she had spent all his money on the marriage, she agreed to give him the house. They must also have discussed the husband's petition on the ground of adultery.

After the dispute Mrs Mann had told friends that she had sold the house for £1 to humiliate her husband and show him up in a bad light.

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## WEST EUROPE AND OVERSEAS

## World Court drops lawsuits against French nuclear tests

From Sue Masterman

The World Court has decided, by nine votes to six, to drop the cases brought by Australia and New Zealand against France. These asked the court to rule against France's atmospheric nuclear test programmes in the South Pacific.

France has not appeared in court to defend itself since Australia lodged its application for proceedings in 1973, and has refused to recognize the court's jurisdiction in this case.

The court's president, Professor Manfred Lachs, stated that the object of Australia's application was to obtain the ending of the tests. Since the French Government had committed itself in a series of statements this summer and autumn to switch from atmospheric to underground testing, the object of the application was no longer valid.

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French Minister of Defence and by the French Foreign Minister at the United Nations.

Australia had indicated what was necessary to settle the dispute and, in the eyes of the court, the French had complied with those conditions. The dispute therefore no longer existed. It was not the court's duty, the president said, to consider what might happen if France did not keep its word.

The six who voted against the decision, Judges Onyeama, Dillard, Jimenez de Arechaga, Walicki, de Castro and Sir Garfield Barwick, contended that the object of Australia's application was to obtain a decision on the validity of atmospheric nuclear testing by France.

Since they disagreed with the interpretation of Australia's objective, they considered the grounds on which the present judgment was based, invalid. They also found that Australia had a case which the court was competent to judge, and that the case should have been continued.

Our Diplomatic Correspondent writes: Mr Whitlam, the Australian Prime Minister, last night expressed his satisfaction with the outcome of the Australian campaign against French atmospheric nuclear tests.

In a statement, Mr Whitlam said that the effect of the majority decision of the court was that Australia's objective had, in effect, been accomplished, inasmuch as the court had found that by its public statements, France had undertaken not to hold further nuclear tests in the atmosphere in the South Pacific. The court was not therefore called upon to give a decision.

But it had also indicated that if the basis of its judgment were to affect Australia in the future, Australia could request the court to examine the situation again.

Mr Whitlam continued his talks with Mr Wilson yesterday, which concentrated on constitutional matters, and also saw Mr Whitlam's media spokesman, Mr John Stewart, in a discussion on the constitutional side as to abolish appeals to the Privy Council from the Supreme Courts of the states.

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President Giscard is introduced to children of the Elysée staff by a member dressed to resemble a popular French television puppet.

## Israelis astonished by Dayan revelation

From Moshe Brilliant

Tel Aviv, Dec 20

A disclosure by Mr Dayan, the former Defence Minister, that the United States had threatened to supply the encircled Egyptian Third Army by helicopter, has taken up a new appointment to help to direct the pro-European campaign in the expected referendum next year.

The campaign is being organized by the British Council of the European Movement and the British section of the European League for Economic Cooperation.

Sir Con, who was previously chairman of the intervention board for the referendum, a post he relinquished last month, will "help to plan the work of all the organizations, groups and parties who are willing to take part in the campaign for Britain's continued membership".

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had said: "If you don't do it there will be nothing to stop the Russians from taking supplies through."

Mr Shmuel Tamir, an opposition member of the parliamentary foreign affairs and security committee, said that to the best of his recollection the committee had never been informed of the disclosure. He said that the disclosure, without the approval of the United States, could not get Israel to budge.

Another committee member said the committee had been informed at the time that Dr Kissinger had asked the Israelis what they would do if food was supplied to the encircled army. He had not said whether the Russians or the Americans would supply it.

The sources said he tended to believe the original version and not Mr Dayan's. He said the former Defence Minister and officials who confirmed his statement were trying to create an alibi for their failure to stand up to the Americans.

Mr Dayan made his statement to members of the faculty of Bar Ilan University last night. He had intended delivering it in a public address but was prevented from appearing before the students by a demonstration of parents of war casualties who blamed the former Defence Minister for the inadequate preparation for war.

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# Saturday Review Christmas Quiz

Contributed by Brian Alderson, John Higgins, William Mann, Sheridan Morley, John Percival, Michael Ratcliffe, Stanley Reynolds, David Robinson, Philippa Toomey, Ion Trewin, Irving Wardle

The Saturday Review offers prizes of £25, £15 and £10 for the three best sets of solutions, chosen by the Editor of the Saturday Review to be opened on January 2. The prizewinners' names and the correct answers will be published in the Saturday Review on January 4. Entries should be sent to The Saturday Review Christmas Quiz, The Times, PO Box 7, New Printing House Square, Gray's Inn Road, London WC1X 8EZ.

## Saturday Review Christmas Quiz Saturday Review Christmas Quiz Saturday Review Christmas Quiz

1

Name this famous comedian



2

Which film did this illustrate?



3

Which comedian with a horror of nuns, clergymen and dogs made a comeback this year?

4

Name the singers and the song.

5

Out of step. Who is the odd person out in the following groups:—

- (a) Peggy Ashcroft, Michael Redgrave, Kenneth More, Laurence Olivier, John Gielgud.  
(b) Y. Chuever Loophole, Rufus T. Firefly, Larson E. Whipsnade, Otis B. Driftwood, Wolf J. Flywheel.  
(c) Steely Dan, Stealer's Wheel, Steely Step, Steeleye Span.  
(d) Pola Negri, Elisabeth Bergner, Tallulah Bankhead, Bette Davis, Marlene Dietrich, Edwige Fenech.

6

Theatrical dames. Name the following two ladies and the plays in which they appeared.



7

Cats in billets-doux. Who was the illustrator and who was the recipient? (a, b)



10

Who are the owners of these four pairs of legs and in which films did they appear?



11

Industrial action postponed this year. (a) whose obsequies? (b) whose orgy?

12

(a) Who was the murderer in *The Mousetrap*? (b) What was the play on at the Ambassadors before *The Mousetrap*?

13

Who said, of whom: "Wer she's a star, dry she start"?

14

"I should want to draw it like a Bat for its short-sightedness; like a Bantam for its bragging; like a Magpie for its honesty; like a Peacock for its vanity; like an Ostrich for putting its head in the mud and thinking nobody sees it." Mark Tapley was the speaker, but who was he and what was the bird?

15

What music by Mozart did the Wombles sing?

16

Who drew these four portraits of Lewis Carroll's Alice? (a, b, c, d)



17

Where did the following go to school: (a) Billy Bunter (b) Hercule Poirot (c) Stalky (d) Jennings (e) Rochester Sneath.

18

(a) Which Irishman variously described himself as: English, Australian, orphaned when his parents died in a bush fire; the model for Rex Mottram in Evelyn Waugh's *Brideshead Revisited*? (b) Which Englishman was tipped to become Editor of *The Times*, head of M15, Tory M.P. for South Oxfordshire, but chose instead to be the Squire of Nettlebed?

19

Who was bumped into on a toboggan run in midsummer and where?

20

Albert Finney scored a great success as Hercule Poirot this year in *Murder on the Orient Express*. Name two other actors who have played Agatha Christie's detective.

21

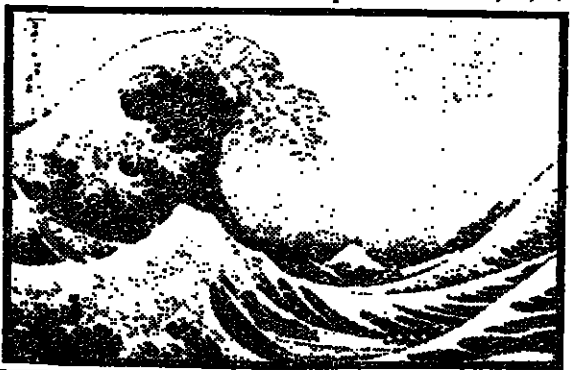
Match the following cowboys to their horses, and who is the odd mount out:—  
Men: Buck Jones, Tom Mix, W. S. Hart, Roy Rogers, Ken Maynard.  
Horses: Tony, Trigger, Silver, Champion, Tarzan, Fritz.

22

Which minner was bugged this year?

23

Which pieces of music do you associate with the following three pictures? (a, b, c)



24

(a) Which good time girl appeared in *Sophocles* this summer, and where? (b) Which Venetian gentleman once more escaped a Whitehouse cover up this year?

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# Why British Rail may be on the wrong track with its investment in the art market

The time has come to dismember once and for all the idea that art is a safe investment medium. It is a fascinating field for speculation, but about as safe as cocoa futures.

For many years the concept of art investment has been on every lip but the crunch has come with the revelation this week that the British Rail pension fund has begun to invest in art with the advice of Sotheby's.

There is, to my mind, nothing objectionable about millionaire punters having a go in the art market. But this is a far cry from investment managers putting the funds that are to provide for the old age of our railwaymen at risk.

There are two features of this situation which can be criticized. One is that the railway pension fund should be investing in art at all, the second that they should be taking the advice of Sotheby's.

We know that they have bought a Tiepolo oil sketch for £195,000 and two Paintings of Rome for £40,000. They also bought some of the superb French furniture in the Lady Baillie sale, and are said to have bought some important Chinese ceramics; the total sum they are aiming to invest is £5 million.

The strategy that one deduces from this—and the rail board and Sotheby's are maintaining a tightlipped silence—is that purchases of the finest quality examples of the fine and applied arts are to be pursued as the equivalent of blue chip investment.

In the first place one must say that this strategy could only be argued if the investment is long term. One is a well known feature of the art market that any important item returning to the market too soon, say under five to 10 years, will seldom match its purchase price. If the Tiepolo sketch is resold in March, the pension fund would be lucky to get £100,000 for it.

Given that this must be a

long term investment, the strategy ignores the effect of fashion on art prices. The English portrait school was a high fashion area in the 1920s. Duveen is said to have paid more than £70,000 for Gainsborough's *Duchess of Devonshire* from Althorp in 1925.

In terms of 1974 purchasing power this is equivalent to around £700,000. And over 50 years the owner has received no dividend or interest on the expenditure. To keep the sum simple, suppose they have sacrificed 5 per cent income for 50 years, interest payments worth £1.75 million have been lost.

To break even the resale price would now have to be £2.45 million (1974 pounds sterling). The painting is now worth around £300,000.

And this is not an isolated case. Fashion in the 1920s embraced, in addition to the English portrait school, Renaissance furniture, tapestries, and *famille jaune* and *famille rose* Chinese porcelain. Similar calculations could be made to demonstrate the non-desirability of investing in these fields. And similar comparisons could be made with many other periods of history.

But, comes the rejoinder: what about the staggering rise in price since 1950 or so of Impressionist paintings, Chinese ceramics, Dutch marquetry furniture? In each of these cases the staggering rise in prices has been of the order of £500 to £50,000.

The only people who have actually bought at the bottom and sold at the top of the market have been those who did it by mistake. They had the common sense and good fortune to form an important collection in a thoroughly unfashionable collecting field, only to find that it was immeasurably more valuable once fashion had caught up with it.

As far as one can see, this is the type of collecting which Sotheby's is advising. It appears that they are putting

There are and always will be marvellous opportunities for speculation in the art market... But the idea that art is a solid and safe investment medium is a fallacy

British Rail into the finest examples of what is highly regarded now. That price escalation over the next 10 years for this type of painting or object will match the loss of (untaxed) income is dubious. Furthermore, and this is important, works of art are not easily realizable investments.

There is no daily quotation at which you can do business; you have to wait until someone turns up who is prepared to pay your price. Every dealer has the story of the perfectly lovely something or other which he bought nine years ago and hasn't managed to interest anyone in at all.

Of course you can put it into auction and take a gamble. The auctioneer will probably estimate its value some 20-30 per cent below current dealer-to-museum or dealer-to-major-collector prices and advise you to set a reserve some 30-40 per cent below this.

You can stick out for a higher reserve and risk the painting remaining unsold; but a major work, unsold at auction, is often halved in value overnight. Which brings me to the

question of taking Sotheby's advice. Whichever way you look at it there must be a clash of interests between the fact that Sotheby's act for the seller—take commission from the seller and advise him—and the idea of giving anyone unbiased advice on art purchases.

They seem to be arguing that in this case they provide background information on desirable objects, on possible prices and on the state of a market while leaving it to British Rail to decide whether they actually bid or not. The advice must surely be biased by that they have already given to the consignor.

Since June the major problem of the auction rooms has lain in finding buyers for the most rare, important and expensive items they have for sale.

Sotheby's have been looking for some time for a way of channelling institutional money into the art market; talks with the M & C unit trust group came to nothing when the Board of Trade indicated that sanction would not be forthcoming for the investment of unit trust funds in so speculative a medium. No such sanction is required

in the case of a pension fund; the liability for non-profitable investment remains with the trustees.

The emergence of the British Rail fund, prepared to buy very major works of art, is just what Sotheby's need. If the embarrassing failure of major works of art to find buyers at auction can be stopped, the rot will be less likely to spread down the market. It will help put a stop to the art market recession indicated by the 25 per cent fall in sale room turnover this autumn.

Setting this to one side, one may ask how good Sotheby's advice is likely to be. Two years ago Sotheby's ceased to act only as an auctioneer or middleman and started, on occasion, to make outright purchases or to guarantee consignors a certain minimum return on the sale of their collections. It is worth looking at some of the known examples of this scheme in operation.

One of the most sensational is the Jack R. Dick collection of sporting paintings on which Sotheby's are known to have paid an advance of \$5.6 million to the United States government against Mr Dick's tax and other debts.

The first sale from the collection in October 1973 was considered a major success in that prices nearly always went over the bottom end of Sotheby's estimates—though few reached the top end; the estimates were at the time considered very ambitious.

With the second sale last June the prices fell mainly around half the pre-sale estimate and some works did not attract a single bid. The third sale which was originally scheduled for this autumn has not materialized.

Then there was the sale of furniture from the Leidesdorff collection last summer on which a contract "equivalent to a guarantee" had been negotiated. Sotheby's had apparently underestimated the impact of the American practice of strip-

ping and repolishing furniture; dealers were not prepared in many cases to pay the prices Sotheby's hoped for on account of condition. Some forty lots unsold in London were being offered privately by Parke Bernet in New York this autumn.

Perhaps the single most dangerous feature of British Rail's initiative is the likelihood that other fund managers may copy it. The £5 million which British Rail is proposing to spend is enough to put the top end of the art market back on its feet. If three or four other funds were to enter the running an artificial price spiral would be virtually inevitable.

The price boom of 1972-73 which petered out last summer was essentially generated by investment interest from private individuals and investment consortia. The past six months has seen a collapse in prices in those areas particularly favoured by investment buyers.

Nineteenth century landscapes are worth one half or one third of last year's levels. Nobody knows the value of Chinese ceramics any more; Christie's sold a *famille rose* bowl this autumn for £1,900 whose twin made £15,000 last April. Impressionist and modern paintings have also been hard hit.

In the long term art prices are dictated by what genuine collectors and museums can afford to pay. Even a small number of investors competing against each other can puff prices to artificial levels; the last twist of the Chinese ceramics spiral was essentially the work of two people.

There are and will always be marvellous opportunities for speculation in the art market—newly discovered collecting fields, new quirks of fashion. But the idea that art is a solid and safe investment medium is a fallacy.

Geraldine Norman  
Sale Room Correspondent



Mr James Callaghan: More broadly acceptable?

George Hutchinson

## Facts and fancies for the political new year

"A National Government within months" . . . "the break-up of the Labour Party by the summer" . . . Callaghan at the head of a Coalition.

As the doom-laden winter wears on, one hears the phrases everywhere. Short of withdrawing to some such sanctuary as Lundy Island, nobody could miss them. They are the currency of half the conversation to be heard in London—and in many quarters much more than that.

I wonder how closely words and expectations will match reality as events unfold, if indeed they match them at all. For the underlying sentiment, while increasing, is prevalent among former Conservative ministers, is hardly an appealing one to either the Government or the Labour Party.

To them it is a red herring fed by the Opposition and fit only—when they discuss it—for denunciation, derision and denial.

Understandably enough, Mr Heath and his colleagues think differently, and in this they are in tune with a considerable body of opinion.

They believe that the appalling dangers and inescapable hardships of the economic crisis, with their accompanying social and political strains, are bound to produce an arrangement of some description between the parties in Parliament.

One theory is that Mr Wilson may stand down in favour of Mr Callaghan, who is thought (by those who advance the proposition) to be a more broadly acceptable national leader in a period of extremity.

In that event, a number of leading Conservatives would be ready to join the government (they are inclined to take the invitation for granted); and so, no doubt, would Mr Thorpe.

Another view now widely heard (though some would call it a dream, like the first) is that the Labour Government is destined to break up if only on account of Europe. This derives from the assumption that Mr Wilson and most of his ministers will wish Britain to remain in the EEC, commend that course to the country—and thereby lose the services of Mr Foot, Mr Shore and Mr Wedgwood Benn.

If that were to happen, the resigning ministers would no doubt have the support of the Labour left, who might then form a new party of their own, leaving Mr Wilson at the head of what had become, by defection, a party (and an administration) of social democrats, or moderates. On the other hand, could the reasoning continue—he might succeed in attracting the Liberals to his side, thus establishing a coalition of sorts. To many minds all this may seem fanciful, to others sensible.

or even probable. Sound or silly, it forms part of the confused political debate and is a reflection of prevailing national doubts and uncertainties.

There was so much to admire in Morris Finer—his qualities of warmth, kindness, consideration and compassion as well as his great professional accomplishments—that one cannot do justice to his memory.

With his untimely death the House of Commons has lost a judge of the utmost distinction and the nation a servant of irreplaceable capacity.

It may be said without disrespect to his successor that the Royal Commission on the Press can no longer be expected to produce a Report of the class and calibre guaranteed by Morris Finer's chairmanship.

With his brilliant sceptical mind, his prodigious thoroughness, his insight and his flair for journalism (though he recognized its faults and failures), he was uniquely suited to direct the inquiry.

Working along the lines that he established, the commission should still be able to produce a good Report, even, perhaps, an outstanding one. But it will lack the stamp of Mr Justice Finer's final judgment and authority.

The distinguished (if ill-swept) Royal Borough of Kensington and Chelsea has a substantial immigrant community, concentrated in the 30 per cent area in North Kensington. Among many West Indians, Moroccans, Spaniards, Portuguese, Nigerians, Irish. Yet it has no community relations council of the kind normally found in such an area.

Instead, it has an integration committee. Why is this, and what is the distinction?

A former Indian cavalry officer, Major Narinder Singh Saroop, is the spokesman for community relations on the borough council. He tells me that the object of the integration committee is twofold: "to improve the climate of race relations now, and to identify the right people to form a community relations council later." The authority already has a salaried community relations adviser, housed in its more comprehensive Information and Aid Centre.

What Sir Malby Crofton, the leader, and Major Saroop have found from their observations elsewhere is that community relations councils tend to fall into the hands of the left.

This they are hoping to avoid in the royal borough: hence the two stages, or process of selection. "We want to set up a community relations council in our way," says Major Saroop, "and not allow the left to dominate it."

Sir Malby and his colleagues are more far-sighted than many of their fellow-Conservatives. © Times Newspaper Ltd, 1974

## What the Bordeaux trial means to the French wine industry

How are the mighty fallen. The House of Cruse, the second largest of the Bordeaux wine dealers, a pillar of the merchant aristocracy of the *Chartrons* for more than a century was convinced on Thursday of intention to defraud, resistance to revenue officers in the accomplishment of their duty, of alteration, dissimulation, and removal of documents liable to enlighten the course of justice.

It is not so much the suspended prison sentence of six months, and the fine of £27,000 (the maximum provided for by the law of 1905, which all the experts agree is obsolete) that is most injurious to their reputation. It is their being given three years' probation, like any petty wrongdoer, which amounts to placing their firm under permanent judicial supervision, and deprives it of the benefit of the amnesty law approved when President Giscard d'Estaing took office.

What it means can only be judged in the context of what François Mauriac, who was not received in the exclusive society of the *Chartrons* wrote in *Precedence*: "Here wine ennobles, and if a broker does not attain the nobility of the trader, master of a great house, he nevertheless has precedence over all the professionals, and the rabble of officials."

The Cruses had a great reputation in Bordeaux, but they were not popular. Apart from the inevitable jealousy provoked by their wealth and reputation, they were regarded as too haughty, distant, self-satisfied, treating wine brokers like office boys, and turning out the officers of the inland revenue who came to call on them to check on their books and their stock—"poor methods reminiscent of those of the Gestapo", the Association of Bordeaux Wine Traders declared at the time. They thought they were untouchable, and had issued a proud statement "denying the existence of any misdemeanor on our part", and reserving the right to take action against any who damaged their reputation and that of Bordeaux wines.

In its judgment, the court underlined the "special gravity" of the fraudulent practices involved, owing to the serious blow to the reputation of Bordeaux wines, to Gironde wine in general, and to the credit attached to the notion of *appellation d'origine*.

The first fact against which the case must be judged is that the quantities incriminated at the trial, a few thousand hectolitres, are a drop in the ocean of the Bordeaux vineyard's annual production of about 5,000,000 hectolitres. The second is that the "doctoring" of wines which it brought out in a crude light is impossible in the case of chateau-bottled wine, from the most prestigious to the most humble, and that the best Bordeaux were never even remotely incriminated in the case. It is only the cheaper, anonymous *appellation contrôlée* wines, marketed under the generic terms of Medoc, St Emilion, Graves, and so forth.

The third fact is that the Bordeaux wine scandal could just as easily have broken out in other, much smaller, wine-growing regions, like those of Burgundy or Beaujolais, where production is much more limited, and the temptation to cash in on what until last year was an insatiable demand at home and abroad, which, after Bordeaux, spread to all other areas, proved irresistible.

distinct tendency in Burgundy to rejoice over the discomfiture of their Bordeaux rivals. But it was a case of the pot calling the kettle black.

But the fact remains that half at least of the new "Beaujolais" sold in Paris restaurants at this time of year is not Beaujolais at all. Le Monde wrote last month that the "fiddling" of the aristocracy of Bordeaux then on judgment was only a "mild scandal" compared to the even greater national scandal of all-out production of the great vineyards. A decree of 1935 setting maximum production per hectare for *appellation contrôlée* wines has been universally transgressed. Eighty hectolitres a hectare were produced in Burgundy, when the authorized limit was half, and 110 hectolitres in Beaujolais, when it was 55. Yet when the government last summer decided to tighten up the application of the law, the growers of Burgundy went to war against the decrees of technocrats who, they claimed, knew nothing about wine production.

### Fantastic Speculation

The fourth and final fact is that, as an agricultural engineer, an expert on alcoholism in France told me last week, a trial like that of Bordeaux would be inconceivable in any other wine-producing country. The French laws and regulations on wine are regarded as so much a model of their kind that the Brussels Commission is trying to extend them to the whole European Community. It says something for the integrity and professional conscience of the inland revenue officers, and of the officials of the Department of Agriculture—who pursued their investigations undeterred by the obstruction and fulminations of the Cruses, and the wine traders association—and for the independence of French justice in the wine case without hesitating to cut off at the public prosecutor called upon it to do in his indictment, a diseased but mighty branch of the Bordeaux wine plant.

There could never have been a Bordeaux wine case without the fantastic speculation in clarets which occurred in 1972 and 1973, when the price of a barrel of ordinary *appellation contrôlée* Bordeaux rose from £2,000 to £4,000, and there was not enough to meet the demand. Now, it has dropped back to £2,000, and the report is that this year's harvest will fall as low as £1,000 a barrel.

The fall in great chateau wines has been even more spectacular. Chateau Margaux, which sold for £20,000 a barrel in 1972, has dropped between 3,000 and 4,000. The reason is the unparalleled harvests of 1973 and 1974, and the fact that prices finally outstripped demand. It was nothing to do with the Bordeaux wine trial. But the two combined will lead to a reorganization of the trade and a tightening up of the rules, perhaps, as some wine growers insist, by controlling the wine when it leaves the trader, not when it leaves the producer, so that the consumer can be sure not that the quality is good but that what he is drinking corresponds to the label of the bottle. "We have a great reputation to defend," a leading producer told me. "But we must make sure we are worthy of it."

Charles Hargrove



Sportview

## The professional game that is played only for love

The wind that cuts across Hackney Marshes is not so chill, perhaps, as the one that whips down from the Pennine Range, but the grunts, groans and frosted breaths of the Southern Rugby League lads are just as laboured as those of their northern colleagues.

"It isn't players we're short of," said the treasurer of the Hackney A.R.L.F.C., just before the kick-off of his club's home fixture with Ealing, and he added morosely: "It's officials."

At which point, and as if to emphasize the abundance of playing members, the skipper of the Hackney side counted heads and found himself with 17 enthusiasts warming up on the field of play.

"Right then—I want four of you off before I start this game," said the referee, Mr John Bolton, born in St Helens but now of London. As well as refereeing, Mr Bolton doubles as the secretary of the Southern Rugby League, which would seem to confirm the complaint about the dearth of officials.

The president of the Southern Rugby League, by the way, is that well-known son of Dewsbury, Mr Eddie Waring, who also backs in the magnificent presidency of the Shipley Wesleyan Reform Church Amateur Operatic Society.

Rugby League in the South of England, a strictly amateur sport, soldiers gamely on, season after season. It has been pronounced dead on many occasions, but its fervent supporters refuse to allow the game to lie down, despite many a setback and severe tackle.

convincing the local council that Sunday afternoon rugby league should be considered a godly pursuit in a cathedral city.

A sum total of five clubs in one league might suggest a lean fixture sheet over a long season, but the keen exponents of the southern 13-a-side eke out their matches by taking on each other as many times a year as they can manage.

Considering that the Portsmouth club have to make a round trip on a Sunday of 150 miles in order to meet their nearest opponents, whatever their skills they cannot be faulted for enthusiasm.

And on the subject of zeal, the St Albans rugby league, denied a council which pursue a training schedule that consists entirely of roadruns, and for fixtures seek away match friendships.

Fixtures are always played on Sundays because London clubs survive by playing on Greater London Council pitches—like the one on Hackney Marshes—which are used by rugby union clubs on Saturdays.

And if the old antagonisms between the different codes have not yet been buried, there is every prospect of them being laid to rest quite nicely shortly; for the first time ever the leading officials of both games are on talking terms with each other.

As well as sharing the same G.L.C. pitches, a practice that would have been entirely unthinkable less than 10 years ago, there are already players who divide their skills and loyalties between the two codes, playing union on Saturdays and league on Sundays.

Prefiging this growing relationship between the two codes can be placed on the shoulders of Mr David Oxley, the 35-year-old secretary of the professional Rugby Football League. Mr Oxley was born in Hull, cut his teeth and was raised on rugby league, then

later, as assistant headmaster at a public school, learned to appreciate the 15-a-side game.

Since his appointment as secretary to the Rugby League in Leeds scarcely six years ago, he has infected many with his enthusiasm and crossed swords with a few cautious diehards.

But the wind of change that blows through the corridors of the rugby league offices in Leeds scarcely gives a blade of grass on Hackney Marshes. Rugby league players south of the Trent pass and tackle and are tackled and play-the-ball back without so much as a mention on the inside back pages of their local sporting newspapers.

"What we need is publicity," grumbled another official on the Hackney Hackney touchline. "The general public don't even know that we bloody exist!"

He has a point, certainly. When I had arrived at the vast complex of soccer pitches that stretch across Hackney marshes as far as the eye can see, I asked a local ground official where the rugby league match took place each Sunday. The man had looked at me for several seconds, puzzled, and then his brow had cleared. "Is that what your game is?" he had said. "And I always thought they were playing Irish football!"

In fact, when I did manage to locate the rugby pitch by the simple ruse of tracking down its goalposts, the ambience proved to be distinctly colonial. Ealing A.R.L.F.C. (Hackney's visitors that day), turned out to be nearly all Australians—and the few who weren't came from New Zealand.

"I don't know why it is, but the Ealing players are always Aussies, every season," said John Bolton, the Southern Rugby League secretary. Then, switching to his referee's role he frowned, and told me: "It's always difficult to referee the

Aussies, they're all called Bruce, every one of them."

Apart from the two officials and the over-abundance of substitutes, there were no Hackney supporters on the touchlines. Ealing, on the other hand, could boast of a handful of Shetlands and one male, who walked up and down dispensing cans of lager to all and sundry.

During the game, the Hackney officials were rather quiet, but kept up with the play by pacing the touchline like caged foxes. It was down to one of the Aussie ladies to do most of the shouting: "The legs, Ealing, go for the legs!" she exhorted in a strong "strine accent, and "Come on, Ealing, you can do better than this!"

Well, in the event, Ealing couldn't. And against the odds, or so I was informed, Hackney ran out comfortable winners by 14 points to six, or something like it. It was difficult to know the exact final score, for the last five minutes of the game were played in almost total darkness.

We all stumbled off towards the changing rooms and car park together; players, officials, supporters, referee/secretary and myself.

They seemed keenly aware of having a total stranger in their midst. "Come over to our clubhouse," they invited me. "It's in a pub, it opens at half-past four for us on Sundays."

I had to turn down the offer. But I shall go and watch them again. I am an emigrant from rugby league land proper, and I had enjoyed the game immensely. I think I might leave things over for a week or two though. After all, I don't want to appear too enthusiastic. It is officials that they are short of; and I have a sneaking suspicion that any stranger who turns up two weeks running might find himself appointed chairman of something or other.

Willis Hall

## Dear diary, are you the right one for me?

Next year is a good one for diaries. They come in shapes and sizes to fit every pocket and desk, often with extras such as road maps, pencils and ribbon markers. And they come in specialized versions to assist planning the year for everyone from anglers to nurses, teenagers to electronic engineers, yachtsmen to girl guides.

The purpose of buying the *Gentleman's Diary* is to have at the fingertips the address of the Athenaeum, the Waldorf, the Institute of Directors, and, of course, the Country Gentlemen's Association. With this diary in his pocket, a man can always be sure of the vintage years for port, the ingredients of a screwdriver cocktail, and the closed season for fallow deer, hare, snipe, otters and trout.

A gentleman's wife may plan the engagements for the months ahead with the help of the *Lady's, Vogue, Woman's Own, Good Housekeeping or Cordon Bleu* diaries. But the less housebound may well be consulting their *Business Woman's Diary*, which reminds readers that at noon GMT it is 6.30 pm in Rangoon, that there are about 14 Czech Korunas to the pound, and that the average weight of someone five-foot and over 30 is eight stone eight pounds.

The children of these gentlemen and business women are liable to turn to the *Puffin Readers' Diary*. At the beginning of this the diarist fills in a "favorite smell", "worst phobia",

and, in a school section, "most ghastly subject"; oddly enough, a little later, the youngsters are asked to state driving licence and credit card numbers. All through 1975 the information is readily available that "An elephant's heart beats only 25 times a minute", that a goldfish diet should not include cat's eggs, and that "Rugby" means "a fort frequented by rooks".

The average diary, produced by Lettis, Collins or Smith (C. J. or W. H.), is for family consumption. But this is yet another aspect of publishing that has its "underground" counterpart. The radical publishers, Pluto Press, have produced an intriguing *Big Red Diary* which avoids Saints' Day and instead commemorates events happening on the equivalent day in 1945, such as striking dockers in Birkenhead and hearings of the Un-American Activities Committee in Washington. The open section is handy for details on health hazards at work, equal pay for women, council housing, conduct when arrested, and claiming supplementary benefits—not that those on supplementary benefits will feel able to splash out on the *Big Red Diary*, which costs 75p.

Exactly who will read a £1.65 publication from Gold Star is revealed by the title *Sex Maniac's Diary*. All you need to know about this work's level of sophistication is that sex maniacs don't fill in addresses, they fill in underdresses.

Jonathan Sale



# TEMPORARY LULL

Over the past ten years I travelled all over Britain speaking in churches of all denominations. As I have seen churches making changes in priorities such as these, so

2000

Armed with these facts, Dr M should have had second thoughts before expending the resources of this committee on an expensive advertisement when such money could have been directed to the charities which are his obvious concern.

Yours faithfully,  
ISAAC LEVY, Director,  
Jewish National Fund,  
Rex House,  
4-12 Regent Street, SW1.  
December 19.

It is true, as Sir Michael H. writes (December 14), that the British taxpayer has contributed millions of pounds to the relief of Arab refugees in the past 25 years. Between 1950 and 1973 British taxpayers contributed \$128,574,000 to UNRWA. It is equally true that during the same period successive British governments made no contribution to the cost of resettling Jewish refugees from Arab countries in Israel.

There is, however, a more fundamental reason why coalition gov-

December 16.

*From Mr S. Mirza*  
Sir, In your leader of Dec 15 you would appear to accuse "Israel" of suffering the threat of "destruction". This is no more than a myth, whereas the reality is that Palestinians as a nation already been destroyed.

Yours faithfully,  
S. MIRZA,  
76 Gloucester Street, SW1  
December 16.

## Wealth tax and art deal

typists go through the m  
keeping universities on  
while being hardly able  
time to think why they  
so. One might be pa  
thinking that it is the  
tion for which they are  
paid.  
Yours faithfully,  
R. A. WEALE,  
Department of Visual S  
University of London

**Defence cuts**

**Tail first**  
*From Mr R. Sharp*  
Sir, After the sad debacle of the Second Test in Australia, one wonders why the Captain does not reverse the order of batting. The team would have three potential batsmen first, the main run-scorers would be put in early and could take the steam out of the Australian batsmen. Secondly, the bowlers, by bowling in the innings would

The picture the report gives of the state of the profession is rather less black than some that have been painted. There is no overall shortage of teachers, nor any increase in the number who leave the profession early, nor any strong cause for disquiet about the quality of entrants. A steady improvement of pupil-teacher ratios over

neither the one nor the other. Government set on a determined policy of restraining inflation would be justified in so doing both. But in the context of the social contract and the special case, the teachers have a tolerable claim to what has been offered. If examples are made, they should start at the top.

The effect of this outflow of funds on this country is a minor issue, highly debatable. The real question is: What happens to these funds at the other end—in Israel? Peleuseme!

People in Britain who claim to love Israel no doubt do so for the highest motives. But they must ask themselves what is the price of their generosity. Does it mean? Does it help Israel to tame its illegal and oppressive occupation of the Arab territories seized in 1967? Even if they are assured that their gifts will be used exclusively for the benefit of the non-occupied territories, the fact is only playing with words. The effect then is that their money is freeing other funds for Israel to use in the occupied territories.

handling of this double problem in the Middle East has been a humanitarian achievement of considerable proportions and a masterpiece. Meanwhile the Arab emigrants' handling of the refugee problem has been a humanitarian disaster but a triumph.

Yours faithfully,  
PHILIP GOODHART,  
House of Commons.  
December 18.

*From Mr Chester Erskine  
Sir, While respecting Miss  
opinion (The Times, Dec 18)  
ing Arabs and Jews. I would  
correct her gently when she  
of the Arabs being more*

From Mr S. Mirza  
Sir, In your leader of Decem-  
ber 10, you would appear to ac-  
knowledge that "Israel suffers the threat of  
destruction". This is no more than  
the truth, whereas the real danger  
is that Palestinians as a nation  
have already been destroyed.  
Yours faithfully,  
S. MIRZA  
76, The Broad Street, SW1  
December 16.

**Wealth tax and art dealers**  
From Mr Leslie Waddington  
Sir, Like Mr George Levy, I am opposed to the intended Wealth Tax. If it is not tax allowable a person who has earned income tax will mean that he will have to pay twice as much as people owning and building up their own businesses will be paying. It is more than twice as much as the rest of the community are paying.  
But I feel Mr Levy is exaggerating when he suggests that art dealers and auctioneers will be able to move the centre of their operations abroad. I know of many of them who have done so, but not one of them has been able to do so.

Over the past ten years I travelled all over Britain speaking in churches of all denominations. As I have seen churches meeting on priorities such as these, so

23 Spencer Road,  
East Molesey, Surrey.

This must be grossly unfair, particularly at a time when we are suffering as much as more than other workers from a combination of inflation and governmental policy. Fed reserve authors recently have sunk abysmal recessions years, and they receive "threshold" rises. Of this, they as a group are especially hard hit if the element persists with its inequitable proposal to increase in the rate of National Insurance payments by the employed which, by the embrace almost all of them

Second, the audience is not culturally different from other audiences. They react to plays which either amuse or offend them in the same way that is they can laugh at the same problems, precisely because they are not. They react to the same things which they can relate to the stage. And, of course, pound when moved drama. Couple these with the fact that the production must be of a high standard to attract American audiences will ensure that the producers will tolerate shoddy craftsmanship.

Thirdly, a sense of foreboding on the part of some members of the creative team; the blame rest with their

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Yours faithfully,

Sir, After the sad debacle of the Second Test in Australia, one wonders why the Captain does not reverse the order of batting. We should have three potential batsmen, first, the main run-scorers who put in early and could not steam out of the Australian; secondly, the bowlers, by putting them early in the innings, would longer have to recover from the pressure required to bowl; this trial could be expected to spectacularly in the face of tired Australian bowlers.

Yours faithfully,  
R. SHARP,  
Fair Oaks,

The "purchase-based right" is a single payment offered by the Minister as an alternative to the "sampling scheme" favoured by the authors may well be easier for politicians to comprehend, and

**ALISTAIR HORNE,**  
Membury House,  
Ramsbury,  
Wiltshire.

An inordinately large slice was paid out to people on stage, resulting in a high weekly operating c

Yours faithfully,  
BARRY M. BROWN,  
c/o The Savoy Hotel, W  
December 13.

C2. R. A. WEALE,  
Department of Visual Science,  
University of London

science,  
Tilford,  
Farnham,  
Surrey















## Clash with oil nations expected as French affirm gold revaluation

Melvin Westlake  
France intends to revalue its  
dual gold reserves, but has  
not yet decided to do so im-  
mediately. M Jean-Pierre Four-  
cade, the French Finance  
Minister, said in Paris yesterday  
that the revaluation might take  
place in January.

This statement came 24 hours  
after the Shah of Iran had  
warned that the revaluation of  
gold by the industrial countries  
would lead to a further sharp rise in  
the price of oil and endanger the  
national monetary system.

Some observers suggest it  
may be significant that the  
Shah has chosen not to  
comment on the revaluation issue  
immediately, following the  
recent revaluation of the  
dual gold reserves of the  
United States and the United  
Kingdom, which has led to a  
rise in the price of oil.

However, M Fourcade  
insisted that precise details for  
the move had not yet been  
agreed and no date had been  
set for implementation.

The likely basis for any  
revaluation is likely to be the  
current free market price of  
gold, which has risen from  
\$190 to \$350 an ounce over the  
past few months, a margin of  
some 80 per cent.

But if revalued gold were used  
indirectly to pay for oil, it  
would also increase the  
industrialized nations' claims on  
real resources such as oil, while  
reducing the value of their  
gold holdings.

Because the latter group own  
about 30 years' production of oil  
while the developed nations  
possess the equivalent of several  
decades of gold production, a  
power struggle could ensue.

Mr Fourcade said that the  
Shah of Iran and probably the  
other Middle East oil pro-  
ducers are set on a collision  
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other Middle East oil pro-  
ducers are set on a collision  
course with the oil consuming  
countries.

## Jensen will cut car production by 50 pc

By Clifford Webb  
Jensen Motors, West Brom-  
wich, is to cut production of  
its big Interceptor saloons and  
Healey sports cars by 50 per  
cent immediately because of  
sharply depressed sales in its  
biggest market, the United  
States.

At a day-long meeting with  
union officials yesterday, Mr  
Kjetil Ovale, Jensen's American  
chairman and owner, said this  
would inevitably lead to sub-  
stantial redundancies among  
the labour force of 1,200.

Union sources believe that  
as many as 400 will lose their  
jobs, but the company empha-  
sized last night that no de-  
cision had yet been made. The  
final arrangements, which will  
be worked out with union offi-  
cials and shop stewards, will  
include short-time working and  
as much voluntary redundancy  
as possible.

The extent of the cut-back—  
from 130 cars a week to 65—is  
much bigger than expected.

Mr Ovale returned to the  
United States a fortnight ago  
to obtain first-hand reports  
from his dealers. So alarmed  
was he that he sent back a  
message almost immediately  
giving warning of the need for  
redundancies.

At that time union spokes-  
men said they had been told  
to prepare for up to 200 redun-  
dancies which would affect  
only workers on the Interceptor  
line.

But with 1,300,000 unsold  
cars on factory sites in the  
United States and with wide-  
spread shutdowns and layoffs  
in the General Motors, Ford  
and Chrysler, the picture is  
growing gloomier for all importers.

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## Deputy chairman of FNFC resigns after 'implied allegation' over his appointment

By Maurice Corina  
Industrial Editor  
Mr Alan H. Challis, the man  
at the centre of some of the  
Crown Agents' most controver-  
sial deals, last night resigned as  
deputy chairman of the First  
National Finance Corporation.

His decision comes after the  
announcement earlier this week  
that the Government will inject  
£85m into the Crown Agents'  
unincorporated financial organi-  
zation, which is now greatly  
writing down its assets.

Crown Agents was holding an  
8.5 per cent interest in the First  
National fringe banking group  
when Mr Challis resigned on  
November 11, 1973, as director  
of finance for the agents. With  
the approval of the last Govern-  
ment, he had been made First  
National and became a joint  
deputy chairman.

Mr Challis played a leading  
role in part of the series of  
complex investments in property  
and other companies since 1968,  
and had a significant say in the  
placing of deposits. More than  
a few of Crown Agents' deals  
have come in for adverse criti-  
cism both inside and outside  
Parliament.

A full report on the circum-  
stances leading up to the organi-  
zation's request for state assis-  
tance is now being prepared by  
its new chairman, Mr John  
Cuckney.

Mrs Judith Hart, Minister of  
State for Overseas Development,  
told the Commons on Wednesday  
she hoped to make a re-  
port available to members in  
due course. She indicated that  
if there was to be an inquiry,  
whatever form it took, the in-  
vestigation of the investment  
programme that group intended to  
undertake.

After some hesitation, be-  
cause of his 37 years with the  
Crown Agents, he accepted, sub-  
ject to appropriate sanction. In  
due course this permission was  
forthcoming from the relevant  
authorities, including the then  
Minister (Mr Richard Wood).  
He duly joined First National in  
a full-time capacity in Novem-  
ber, 1973.

From this it would be clear  
that the taking up of the  
appointment was in fact  
approved by Mrs Hart's own  
department.

"Nevertheless, the continued  
implied allegation of some  
irregularity in my appointment  
not only casts a cloud over me  
personally, but also harms First  
National Finance Corporation",  
he added. "In these circum-  
stances I feel I cannot continue  
as a director of the company  
and I have, therefore, decided  
to tender my resignation from  
the board."

Mr Challis continued that  
early in 1973 he was invited  
to join First National full time,  
particularly to take charge of  
the overseas investment pro-  
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## Mr Benn admits overruling his top advisers about £3.9m aid to IPD

By Malcolm Brown  
In a move without precedent,  
Mr Anthony Wedgwood Benn  
yesterday placed before Parlia-  
ment a document making it  
clear that his top industrial  
advisers had been overruled in  
his decision to give up to £3.9m  
aid to the IPD industrial co-  
operative at Kirby, Liverpool—the  
former Fisher-Bendix plant.

The criticism came from the  
Industrial Development Advi-  
sory Board, the group set up to  
advise the Secretary of State on  
aid under the Industrial Act.

Publication of the document  
late yesterday afternoon drew  
an angry response from Mr  
Michael Heseltine, Opposition  
spokesman on industry.

He described publication of the  
document on the last day  
before the Christmas recess as  
"a flagrant abuse of Parliament  
and a direct insult to the man-  
agement and trade union rep-  
resentatives on the Industrial  
Development Advisory Board, who  
have asked that their hos-  
pitality be made known".

Publication of the Industrial  
Development Advisory Board's  
strictures breaks new parlia-  
mentary ground, invoking  
Section 9(4) of the Industrial  
Act 1972.

This states: "If the board  
make a recommendation with  
respect to any matter at the  
request of the Secretary of  
State, and the Secretary of  
State exercises his functions  
under Sections 7 and 8 of this  
Act contrary to their recom-  
mendation he shall, if the  
board so request, lay a state-  
ment as to the matter before  
Parliament."

Short of members' resigna-  
tions, Section 9 statement is  
the strongest sanction the board  
can bring to bear on the  
Government.

Explaining their reasons for  
advising against the grant, the  
board says it appears regrettable  
that such a large sum of the  
"Treasury" money—£3.9m—  
should be advanced on a pro-  
ject which holds out little pros-  
pect of yielding long-term  
employment.

In recommending against  
selective financial assistance, it  
had told Mr Benn of serious  
shortcomings. These included:

Finance—"Despite the very  
high initial cost in relation to  
jobs, particularly if account was  
taken of the possibility of  
acquiring the factory, there  
were not enough profitable  
activities to offer a prospect of  
generating a positive cash  
flow."

Management—"There was a  
need for extremely tight  
management in a field where  
survival was dependent on the  
ability to meet stringent dead-  
lines and quality control."

Overmanning and overcapacity.  
—"The board thought there  
was a serious overmanning to  
a major degree and overcapacity,  
and that the proposals lacked a  
stable product base with a ready  
market."

Confronted with obstacles of  
this magnitude no concern,  
however well intentioned, could  
be shown in the basis of  
the proposals advanced."

In a government response  
published with the IDAB's  
criticisms, Mr Benn said that in  
reaching its decision the Govern-  
ment had taken full account of  
the areas of risk identified by  
the board.

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## Crosland panel to look at property development

Mr Crosland, Secretary of  
State for the Environment, is  
setting up a group to advise the  
department on certain aspects  
of commercial property de-  
velopment following Thursday's  
news that the freeze on com-  
mercial rents is to be lifted.

It was disclosed in a written  
parliamentary reply yesterday  
that the main task of the group  
would be to examine the  
arrangements for the develop-  
ment of commercial property,  
and the part played by  
investors, developers and  
local authorities. The group, to  
be headed by Sir Dennis  
Pillcher, will also consider how  
these arrangements may change.

BLMC board convene  
shop stewards briefing  
British Leyland's entire ex-  
ecutive board will meet 400 shop  
stewards representing workers  
from its 59 factories on January  
10 to brief them on the negotia-  
tions for government participation.

Management will be making  
the point that the guarantee of  
government backing in no way  
opens the door to bigger wage  
demands, while the shopfloor  
will be pressing for more in-  
volvement in decision-making.

City concern is growing about  
the move, led by Sir Dennis  
Pillcher, will also consider how  
these arrangements may change.

Unit trust sales down  
Gross unit trust sales in  
November were slightly up at  
£15.2m compared with £14.8m  
in October but a jump in repur-  
chases, up from £6m to £8.1m,  
resulted in lower net sales of  
£7.13m compared with £8.8m.

Governor's visit  
Mr Gordon Richardson, the  
Governor of the Bank of  
England, is leaving Britain on  
December 28 for a short tour  
to Nigeria. The visit forms part  
of a continuing programme of such  
visits.

CAA suspension  
The Civil Aviation Authority  
has suspended the air travel  
organizer's licence of Compas,  
Laurie Holdings, trading as Sir  
Christopher Tours and Falcon  
Holidays, at West Drayton, Mid-  
dlesex. It has also revoked the  
licence held by United Holidays,  
trading as Union Travel of  
Camden Town, north London.

Index-linked pay rise  
A new pay deal with a special  
cost of living arrangement  
based on the retail price index  
was announced yesterday for  
50,000 hosiery and knitwear  
workers mainly employed in  
England and Wales. Workers  
are to get a £2.80 pay increase  
from January 1 and an increase  
of 25p for every 1 per cent  
rise in the retail price index,  
calculated quarterly.

German trade surplus  
West Germany registered  
another big foreign trade sur-  
plus in November, with exports  
exceeding imports by £2.2m  
(about £655m). The Federal  
Statistics Office announced  
yesterday. The surplus in  
October was DM4,619m.

\$1,000m Tokyo loan  
Japan has borrowed \$1,000m  
(about £435m) from oil-pro-  
ducing countries. The finance  
ministry stated in Tokyo.  
Government sources said the  
Bank of Tokyo had borrowed  
\$500m from Saudi Arabia in  
September and an equal amount  
in October.

Rolls turbine sales  
Orders for 16 gas turbines  
have been placed by the Royal  
Netherlands Navy with Rolls-  
Royce (1971). Already Rolls  
has secured orders for 24  
turbine engines for the Dutch  
Navy.

Now Vauxhall  
increases  
prices by 8.8 pc  
By Edward Townsend  
Vauxhall yesterday announced  
price increases averaging 8.8  
per cent from midnight next  
Saturday.

The increases, caused by "the  
continued escalation of material  
and labour costs", will add  
£113 to a two-door Viva bring-  
ing the price to £1,353. A VX 4/90  
goes to £1,719 to £2,254.

British Leyland and Ford  
announced similar increases  
earlier this month. Chrysler is  
expected to follow suit early in  
the new year.

Reliant said yesterday it had  
applied to the Price Commission  
to raise prices of the Scimitar  
GTE and the Robin saloon.

## Paris move n flexible bank credits

By Charles Hargrove  
Paris is determined to  
ease pressure from business  
industrial circles to ease  
credit restrictions.

M Jean-Pierre Fourcade, the  
Finance Minister, told a press  
conference that for the sake of  
simplicity credit restric-  
tions would be calculated next  
year from the fixed base of  
credit authorizations for  
last two quarters.

This would be one hundred  
not as hitherto, from the  
variable base of credit actually  
drawn out by banks. But this  
measure involved no loosening  
of the purse strings.

It also announced that in-  
st rates on savings bank  
accounts would be raised next  
year from 6.5 to 7.5 per cent;  
that compulsory reserves  
drawn with the Bank of  
France on medium term depo-  
sits would be ended.

The first measure announced  
the minister's budget speech  
designed to encourage a  
system of indexing interest, which,  
the government's view,  
would be inflationary.

The decision to substitute a  
fixed base—the last two quar-  
ters—was a response to the  
widespread demand for a  
responding month of the  
previous year in calculating  
edit margins will enable the  
banks to even out the cyclical  
rumps in demand and give  
a system greater elasticity.

Banks are forbidden to in-  
crease credit by more than 20  
per cent in the first quarter,  
and in the second  
quarter of 1975. Allowing for  
a 10 per cent increase in  
the first quarter, the  
second quarter credit norms.

## American real wages in year's biggest fall

From Our United States  
Economics Correspondent  
Washington, Dec 20  
American consumer prices in  
November rose by a seasonally  
adjusted 0.9 per cent, while  
real spendable average earn-  
ings fell by 1.7 per cent.

The fall in earnings was the  
largest monthly drop this year,  
and followed a decline of 0.7 per  
cent in October.

Data released by the Depart-  
ment of Labour showed that  
the consumer price index has  
risen 12.1 per cent in the last  
year to 154.3 (1967=100). The  
compound annual seasonally  
adjusted rate of increase from  
three months ago slowed in  
November to 1.3 per cent from  
1.5 per cent at the end of  
October.

The November rise in con-  
sumer prices was attributed to  
increases in a wide variety of  
goods and services. Food  
prices rose by an adjusted 1.4

per cent after increasing by 1.3  
per cent in October.

Real gross weekly earnings  
fell by 1.8 per cent from  
October to November to 1967.  
The decline resulted from a 1.1  
per cent decrease in average  
weekly hours and the 0.9 per  
cent rise in consumer prices,  
which more than offset a 0.2  
per cent rise in earnings.

## Fair Trading investigations

Investigation by the Depart-  
ment of Fair Trading into the  
£5.4m cash bid by Tube Invest-  
ments for Midland Aluminium  
is expected to take about three  
weeks. Its decision on Teneco's  
acquisition of loan stock may  
take the department a month, it  
was learnt yesterday.

The Tubes-Midland scrutiny  
is straightforward, but the Ten-  
eco move to take nearly 50 per  
cent of Albright will probably  
need the cooperation of the  
Department of Trade in view of  
the international aspects.

£46m EIB loans  
granted to Italy  
The EEC European Invest-  
ment Bank said yesterday it  
had granted eight loans  
totaling £1,300m (over  
£46m) to help finance industrial  
and energy projects in Italy.

Seven are of direct interest  
to the Mezzogiorno region of  
southern Italy. The loans are  
at 10.5 per cent interest and  
vary from nine to 15 years. The  
largest loan of £2,250m was  
granted to Istituto Mobiliare  
Italiano.—Reuter.

## Output 1.1pc up during third quarter

By Peter Jay  
National output rose 1.1 per  
cent between the second and  
third quarters of the year,  
according to the revised and  
final figures published by the  
Central Statistical Office.

This compares with the first  
provisional estimate published  
on November 14 of a 1.0 per  
cent rise.

The figures are based on the  
output measure of gross domes-  
tic product, seasonally adjusted  
and at constant 1972 prices. On  
this basis there has been a slight  
fall in output since the third  
quarter of 1973, which was the  
top of the boom.

The expenditure and income  
based estimates, however, sug-  
gest a small increase in GDP  
over the 12 months.

GDP  
Gross domestic product at  
constant factor cost (1972=100)  
and seasonally adjusted:

	Based on output data	Based on income data	Based on expenditure data	Average of the three
1972	100.0	100.0	100.0	100.0
1973	100.3	100.3	100.0	100.2

1972	Q1	98.4	98.8	97.0	97.4
	Q2	99.9	100.3	100.0	100.1
	Q3	99.8	100.4	100.7	100.2
	Q4	102.2	102.5	102.3	102.3

1973	Q1	106.8	104.3	104.9	105.3
	Q2	104.4	105.6	105.4	105.5
	Q3	105.2	105.3	105.5	105.4
	Q4	104.7	105.1	105.1	105.3

1974	Q1	103.0	101.2	102.2	102.2
	Q2	105.7	105.8	104.2	105.2
	Q3	106.7	106.8	105.3	106.2

\* Income data deflated by the price  
index implied by estimates based on  
expenditure data.

## Consumers relieved at scale of BSC rises

By Peter Hill  
British steel industry prices  
should continue to be reason-  
ably competitive with European  
levels, despite the increases by  
the British Steel Corporation  
from January.

Main consuming industries  
yesterday expressed relief that  
the BSC had considered market  
conditions—where prices else-  
where are tending to fall back  
owing to softening demand—in  
the scale of increases which will  
increase the BSC's revenue by  
about £300m in a full year.

Mr Jack Frye, chairman of the  
British Iron and Steel Con-  
sumers Council, the independ-  
ent watchdog body said: "We  
are relieved. We thought that  
the increases could have been  
quite a bit higher."

Big companies and industries  
were yesterday studying the re-  
vised price schedules sent out  
by the BSC. They incorporate  
some wide variations according  
to specification. Members of the  
British Independent Steel Pro-  
ducers Association met in  
Coventry to decide their next  
price moves.

It is negotiating with Ameri-  
can International Telephone and  
Telegraph Corporation for the  
sale of its Telcel colour televi-  
sion manufacturing factory,  
opened a year ago at Kearsley,  
Lancashire.

It is expected that the factory  
building and plant, excluding  
stock, will be handed over for  
about £1m.

Television to end  
manufacturing  
Television is planning to bow  
out of the depressed television  
set manufacturing field and con-  
centrate on television rental  
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...making results show a 29% on the previous year. Profits before tax were last year. Profits after 33% up on 1973. This is Company.

It is with satisfaction that we recommend a final dividend of 11.055 pence for an increase of 10 per cent on the previous year.

It is not my purpose to bore you with details of the company's financial position, but I still have a strong demand



PERSONAL INVESTMENT AND FINANCE

Apple a day keeps the gloom at bay

Here comes Christmas round again, and with it the necessity of admitting the ghastly truth about the share recommendations given you this time last year. Old hands will recall that for a seasonal twist I constructed a portfolio of 12 shares, based on the 12 items enumerated in the song "Green Grow the Rushes O", following the tradition first set in December, 1972, with my spirited investment analysis of the shopping list from "The Twelve Days of Christmas".

These exercises doubtless held some charm for the cryptologists among you, but I regret to say that from a performance point of view they have been disastrous. It is only a game and all that, but the failure still rankles and I am sufficiently disenchanted not to repeat the experiment this year. Instead, it is my plan to look at some of the more exotic investments that are now in vogue, and see if I can pick out any seasonal winners.

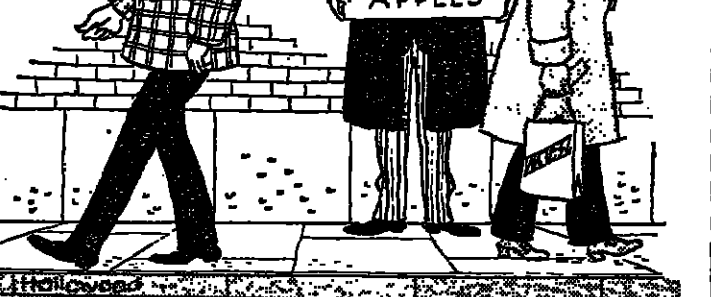
Mr Jim Slater declared that the ideal 1975 portfolio ought to be split as to 25 per cent in bull, 25 per cent in Kruggerands, 25 per cent cash and 25 per cent machine guns. You may think this is very trendy and up to date, but there is nothing new under the sun and the whole thing was clearly foreshadowed by the Owl and the Pussy-cat, who on their epic voyage "took some honey and plenty of money wrapped up in a five pound note"; groceries, Kruggerands and cash—like the man said.

No machine-guns are mentioned as such, of course, but some textual critics point to the hidden allegory of "the small guitar", since the Mafia are all used to hide their machine-guns in violin cases. But it may be considered that the average portfolio is now more closely paralleled by the Jumbies' sieve than any beautiful boat, pea-green or otherwise. Nevertheless, even though everybody said the Jumbies would be drowned, by combination of good luck, optimism and, most important of all, expert provisioning, they finally made it and when they came back again everybody was madly jealous and wished they had been on the trip as well.

It all boils down to a grocery portfolio, and naturally every financial journalist worth his salt is leaping on to the bandwagon at the moment.

However, it isn't quite as easy as that. I mean, here they are, these chaps having lived their lives analysing p/e ratios and the like, and suddenly p/e ratios don't matter any more and what is important is shelf life. You may well recommend Blotto's self-raising boot polish as an inflation hedge, but the problem with such an investment is what marine insurers call inherent vice.

This is nothing to do with the Festival of Light, merely the concept that if left to their own



"... the best investment of all for this day and age ..."

Insurance

When a very important person is expected

Most families have plans laid for the next two weeks or so which might well go awry if somebody gets "flu at the wrong moment."

Sometimes, it is worth having insurance—\*, for instance, you are planning to have a skiing holiday, and the illness of one member of the family could result in the whole holiday being called off with a large amount still to be paid to the tour operator.

Sometimes "non-appearance" insurance can help. Fortunately, concerned as children may be at this stage, they do not have to worry about insuring against the non-appearance of Santa Claus. But not everybody can be relied upon in the same way.

For instance, what happens if one of the principals of an amateur stage production should fall ill, or have an accident? For some amateur operatic and dramatic societies, it is hard enough to muster a complete cast, let alone run to the luxury of having understudies.

A few weeks ago The Norfolk Opera Players got round this for a production of Faust. They spent £12 on non-appearance insurance to pay for the cost of calling in a professional if one of the four principals had been unable to appear.

Up to £200 could be claimed to "replace" each of the four principals to cover fees, cost of accommodation and so on, if



"But not everybody can be relied on in the same way."

It should be necessary to call on a professional to arrange a replacement. Sometimes luck can go against charitable events. A particular person is unable to attend through illness or perhaps because he or she has been held up by a train or airline strike. Insurance can be arranged to cover the expected loss in takings.

Of course, night clubs and others who employ top entertainers often need the same kind of financial protection. As a result, underwriters specialising in this form of insurance often have a large store of information about the individual health features and characteristics of those in the entertainment industry and others who are most likely to be covered by this form of insurance.

It is for this reason that premium rates can vary accordingly to the individual. Last year, in view of the fuel crisis, plenty of functions of one kind or another were cancelled. It is possible to insure against cancellation of an event from almost any cause, although, unfortunately, "lack of support" is virtually a standard exclusion from any policy of this type.

On the other hand, insurance

Pensions

Benefits for all dependents

An increasing number of occupational pension schemes provide pensions for widows or other dependants on the death of a member of the scheme. Quite apart from this trend, occupational schemes normally provide a lump sum on death while in service.

The basic difference in approach from that adopted by the state lies in the scope of the benefit. Whereas the state benefit is payable only to a widow, and then only in specified circumstances, occupational schemes normally seek to provide a protection for all widows and in many cases cater for the possibility of other dependants, as well.

As far as the Inland Revenue is concerned, an approved pension scheme may provide, on the death of a member in service, a widow's or widower's pension of up to a minimum of the member's salary in normal circumstances; a further pension may be provided to anyone else who was actually dependent on the member, as long as the total of the widow's or widower's pension, if there is one, and all the dependant's pensions do not come to more than (normally) two thirds of the member's salary.

In practice, there are very few schemes indeed which provide pensions for the widower of a woman member: the Inland Revenue changed its rules to allow this (unless the husband had been dependent on the wife) only about two years ago.

There are also not a large number of schemes which provide a four-ninths widow's pension: the more usual level in the better schemes is one third, which was the maximum the Inland Revenue would allow before 1970.

Very few schemes follow the pattern proposed by Mrs Castle for the new state scheme, that is, a definition of the amount of widow's pension by reference to the length of service completed by the member up to his death. The general practice is to relate the widow's pension either to the salary at the date of death, or to the pension the

member would ultimately have expected to draw at his normal retirement date if he had survived and his salary had remained unchanged.

Either of these provides full benefits for the widow of a man who dies after only a short period of service, and avoids the serious defect in Mrs Castle's scheme.

Widow's pensions are normally paid to widows irrespective of their age or the existence of dependent children. There is, however, a provision in many schemes for the amount of the widow's pension to be reduced if the wife has been much younger than her husband, perhaps five or 10 years.

The practice varies rather when it comes to the cessation of the widow's pension on remarriage. (I have never come across a scheme which suspended the pension on the widow's cohabitation with a man as his wife, such a provision is generally thought to be unacceptable for an occupational scheme.) Many schemes take the view that, in these circumstances, it is socially and morally wrong to discontinue payments to a widow who remarries.

On the other hand, other schemes consider that the responsibility for looking after a widow who remarries passes to her second husband, and that it is an unnecessary benefit to continue the widow's pension. In view of the trivial saving in cost achieved by ceasing the widow's pension on remarriage, I find it difficult to understand why the moral argument does not always take precedence over the financial one.

Payment of a widow's pension as of right in all circumstances is a recognition that, in respect of this benefit, as of others under the pension scheme, it is a question of the terms on which the member has agreed to work for his employer, and not a gratuitous benefit provided by the latter out of compassion in the cases of need. Here, of course, lies the difference in principle behind the vari-

Law

The delicate art of getting something for nothing

Since the dawn of time, human ingenuity has focused upon the delicate art of getting something for nothing. Even today some people appear to devote themselves to little else and invariably their endeavours seem to be crowned by success.

One of the most promising fields for the "something for nothing" devotee is the general availability of free advice. Finance houses, stockbrokers and insurance brokers are often willing to give helpful advice and recommendations in expectation of earning either a commission or alternatively a fee from the client at some stage.

Admittedly they may withhold the names of the companies who could implement their scheme, or keep back important details, but a diligent client should be able to fill in the gaps himself. If he can bypass his advisers and put their scheme into operation, without them, he may, where relevant, make a large saving in fees.

The extraordinary thing is that in law, banks, insurance companies and professional people who choose to give gratuitous advice could be sued by the recipient, if it turns out to be a bad investment. The whole lot of the solicitors and professional advisers you meet on the train to get all the free advice you can.

Often, statute law is extremely generous to the consumer as a means of discouraging undesirable commercial practices. For example, certain breaches of hire purchase or money lending regulations will mean that the consumer gets the goods for the loan absolutely free, and the finance house is deprived of any right of action to recover it.

One of the most generous pieces of legislation is the Unsolicited Goods and Services Act, passed in 1971. In defiance of the Act one mail order firm sent a young engineer a pocket electronic calculator which he had ordered. He wrote telling them to come and collect it within 30 days.

When they failed to do so it became his property and under the Act they were debarred from suing for the price. Undeterred they sent him another. This time he did nothing, but simply wrote. At the end of six months the second calculator also became his property without payment.

In a depressed commercial society, the scope for a real devotee of this cult increases. The motor car enthusiast can spend his free afternoons on trial drives in expensive motor cars. Those who like to see how other people live will find no shortage of eager estate agents willing to take them miles to view, often to be entertained with tea or sherry at luxury country seats by hopeful sellers.

Many a woman must have taken a fur coat on approval, flattered it for one glittering evening at the Dorchester and sent it back to her store the following day. Provided she has given it a good airing and got rid of the reek of cigarette smoke, alcohol and perfume, no well-bred store assistant could possibly raise an eyebrow.

The more ambitious could take suites of furniture and two or three colour television sets, not to mention original paintings, to adorn his empty flat for an annual party. Moreover, he does not even have to bother about insurance, because where goods are delivered on approval in law the risk remains with the seller, so long as any loss or damage which occurs is not due to the fault of the person taking them on approval.

This is so until ownership has passed to him, that is, he has decided to buy. The pitfall is that he is deemed to be the owner once he does anything which may be construed as

Law

The delicate art of getting something for nothing

adopting the transaction, such as using the item.

Certainly the lady who goes out wearing a fur coat taken on approval would be deemed to have bought it. She might have the bad luck to meet one of the directors of the store that very evening.

The second snag when taking something on approval is that after a reasonable time has elapsed (if no time limit has been fixed in advance) the store will be entitled to assume that one intends to buy it. So the "borrower" would have to notify the store fairly promptly to avoid being saddled with the goods.

Depending on the circumstances, a judge might think that two or three days is sufficient for the buyer to have made up his mind.

The important thing for anyone adopting this gambit is to be certain that he can return the goods in absolutely mint condition, without the faintest suspicion of his having used them.

Take the case of the man who wants to build a hi-fi unit with particular features to suit his home. Off he trots to the most reputable experts in the audio-electronic field. With great pains they prepare for him a detailed invoice listing all the pieces of equipment he will need to meet his particular requirements.

Assuring them that he will place a firm order once his wife approves, he goes to the nearest discount house and buys all the components listed, takes them home and assembles them according to the plan the experts have sketched out for him. Well, that is the easy part. money saver, but there are possible snags. In the first place it is a common complaint that discount houses fail to give satisfactory after-sales service and those dealers with the expertise to handle the equipment are not to capital transfer to versa, with the third bill of being liable to be Looking on the happy of tax relief, where a regularly donates cash private charity at Christmas—indeed, any one—there is an easy way of a tax benefit provided the is prepared to commit h for several years. The made under a deed of cov previously level in any one requiring the donor's sig To be effective for t: poses the covenant has legally binding on the for seven years or un earlier death. He can maintain his donation previous level in any one charity will obtain the tax fit or he can reduce it basic rate of tax, and obtain benefit himself.

Suppose, for example, person has been donating a year and wishes to doing so under a deed of enant. The annual comm becomes gross £14.92 wh £10 grossed up at the bas 33 per cent.

However, the tax rel ables him to continue to p and the charity is able claim the tax of £4.92, end result of paying un deed of covenant is the charity benefits by £4.92.

On the other hand, donor is unable to main: annual donation of £10 be covenant to make his gro minimum £10 for the yea deduct tax at 33 per c (£13.30), leaving a net t to be paid to the char £6.70. The charity recla: tax of £3.30 putting it: the same position as it fo: was, but the donor bene £3.30.

Those who prefer to nothing away will not arive find salvation in 1976 the wealth tax w you if you don't watch o

John Drummond

Taxation

In the giving spirit

This is the peak time of year to enjoy giving and rec ing and far by the tax spoils the fun. But the tax might get you if you don't w out.

Take the employee who looking forward to some of appreciation from the t. The truth is that there is l that the employer can give out his staff being taxed on present as income.

The employer has no prot because the cost of the gi regarded as a reward for vices past, present or hope to come. So the employer deduct it for tax purposes business expense.

The employee on the o hand is taxable on "all sala fees, wages, perquisites profit whatsoever". So, part of the Christmas cash b goes into the Exchequer's fers. But it is not just bon that suffer, because the c have interpreted "profits perquisites whatsoever" as being turned into moe As food, drink and tob can all be converted into m it means that the hamper, crate of whisky and the ca of cigarettes are all caught the tax net.

Gift vouchers were the ject of a court case back 1965. An employer gave t to his staff, and although could be used only in one s fied shop they were none held to be taxable on a face value.

There is much variety in types of gift in kind which course regard as being con into money. Some years a company offered to its emp a suit, overcoat or rain es a Christmas present and company paid the tailor of The gift was held to be "perquisite or profit" of employment and the emp private charity. Some years a company offered to its emp a suit, overcoat or rain es a Christmas present and company paid the tailor of The gift was held to be "perquisite or profit" of employment and the emp private charity. Some years a company offered to its emp a suit, overcoat or rain es a Christmas present and company paid the tailor of The gift was held to be "perquisite or profit" of employment and the emp private charity.

One can be lucky and a tax inspector so replete seasonal good will that he has a most gift, such box of chocolates or a bott gin, as a personal ges appreciation rather than reward for services, leav gift unencumbered by a tax Of course, if the employ paid for the gift out of his personal pocket, rather th of the business, this bec private matter. Some emp gets no tax relief and employee no tax bill.

The gifts we make to friends and relatives will normally attract any tax lem. But for a minority is always capital gains ta: the new capital transfe the one which replace duty) lurking around the user, waiting to pounce o unwary donor.

Capital gains tax doe apply to gifts of cash and are many exemptions. levied only on the apper (if any) in the value o asset which is being away.

A rich aunt gives favourite nephew 500 sha. Christmas, worth at that £2 each, and they cost h each, the aunt will have t ax on the gain of £500.

The capital transfer t the other hand is levied c future market value of the whether in cash kind, there are a number of e tions, but the only one runs parallel to capital tax is that gifts between band and wife are ignor can happen that a i liable to capital gains ta not to capital transfer v versa, with the third bill of being liable to be Looking on the happy of tax relief, where a regularly donates cash private charity at Christmas—indeed, any one—there is an easy way of a tax benefit provided the is prepared to commit h for several years. The made under a deed of cov previously level in any one requiring the donor's sig To be effective for t: poses the covenant has legally binding on the for seven years or un earlier death. He can maintain his donation previous level in any one charity will obtain the tax fit or he can reduce it basic rate of tax, and obtain benefit himself.

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Ronald Irving

Vera Di Pom

Unit trust performance

UNIT TRUSTS: Growth and Specialist funds (progress this year and in the past three years). Unitholder Index, 999.7; fall from December 31, 1973: 35.9 per cent.

GROWTH	A	B	C	D	E
Unicorn Prof M	-2.1	-30.1	-26.3	-43.5	-27.4
Brandt's Capital	-12.7	-30.1	-27.4	-29.8	-28.3
New Court Equity	-12.7	-30.1	-27.4	-29.8	-28.3
New Court Growth	-12.7	-30.1	-27.4	-29.8	-28.3
New Court Cos	-12.7	-30.1	-27.4	-29.8	-28.3
Targat Clymores M	-23.9	-35.9	-31.6	-40.7	-32.3
Slater Walker Cap	-24.1	-29.2	-32.3	-42.2	-32.3
Slater Walker Stat	-25.6	-33.1	-32.3	-42.2	-32.3
First Net Growth	-25.6	-33.1	-32.3	-42.2	-32.3

Hendrix Pers Prio	-33.0	-11.5	-43.2	-53.9
M & G Conv Gr	-34.2	-20.4	-43.3	-53.9
M & G Magnm	-35.2	-20.4	-44.1	-52.3
Brit Life Capital	-36.8	-24.2	-44.2	-55.5
G Recovery	-37.8	-24.2	-44.2	-55.5
Hambro Smir Sec	-37.8	-24.2	-44.2	-55.5
S & P Growth	-39.2	-23.6	-46.8	-51.0
Coyne & Co	-39.4	-23.6	-46.8	-51.0
Oceanic Recovery	-39.4	-23.6	-46.8	-51.0
Hambro Accum	-40.2	-23.6	-46.8	-51.0
Unicorn Recovery	-40.2	-23.6	-46.8	-51.0
Albans Growth	-40.2	-23.6	-46.8	-51.0
Morgan Growth	-41.0	-23.6	-46.8	-51.0
Morgan Recovery	-41.0	-23.6	-46.8	-51.0
GT Capital	-41.6	-23.6	-46.8	-51.0
Slater Walker Stat	-42.2	-23.6	-46.8	-51.0
M & G Compound	-42.2	-23.6	-46.8	-51.0
Stratton P	-42.2	-23.6	-46.8	-51.0

Talisman	-43.2	-53.9	-43.3	-53.9
M & G Special	-43.3	-53.9	-44.1	-52.3
S & P Ec Capital	-44.1	-52.3	-44.2	-55.5
Special Situations	-44.2	-55.5	-44.2	-55.5
Target	-44.2	-55.5	-44.2	-55.5
Key Capital	-45.8	-57.2	-46.8	-51.0
Bishopsgate Prog F	-46.8	-51.0	-46.8	-51.0
Target Growth	-47.0	-58.8	-47.0	-58.8
S & P Growth	-47.8	-59.0	-47.8	-59.0
Confed Growth	-48.6	-59.0	-48.6	-59.0
Hambro Small Co's	-49.2	-54.2	-49.2	-54.2
Albans Growth	-49.2	-54.2	-49.2	-54.2
S & P Ec Capital	-49.2	-54.2	-49.2	-54.2
Abbey Capital	-49.8	-59.0	-49.8	-59.0
Unicorn Growth	-50.0	-59.0	-50.0	-59.0
Vanguard Growth	-50.0	-59.0	-50.0	-59.0
S & P Ec Capital	-50.0	-59.0	-50.0	-59.0
M & G Growth	-51.0	-61.2	-51.0	-61.2
Schroder Capital F	-51.0	-61.2	-51.0	-61.2
Jessell Property	-51.0	-61.2	-51.0	-61.2
Portfolio Capital	-52.0	-61.2	-52.0	-61.2
Crescent Growth	-52.0	-61.2	-52.0	-61.2

Secs of America	-27.0	-35.4
Unicorn Worldwide	-27.0	—
Henderson Aus	-27.0	—
Unicorn Aus	-28.3	8.6
Jessel Global	-28.5	-21.6
Henderson Inter	-29.8	-24.2
Natbifs	-30.2	-37.5
Jessel Comm	-30.3	-10.6
Jessco Internat	-30.4	—
M & G European	-30.7	-42.1
Drayton F&I	-31.2	-43.1
London Wall Int	-31.2	-44.5
S & PSA US Gr	-31.3	-44.2
Allied Hambro Int	-31.6	—
Trident Inter	-31.8	-35.8
Slater Walker Asst	-32.5	-34.8
Jessel Plantation	-32.6	-17.2



EDITED BY MARGARET STONE

## FINANCIAL NEWS AND MARKET REPORTS

## Christmas rally • help for property

er in the month is was starting to look as if a thoroughly year would go out without even the traditional pre-week rally. Not so. There may have been no fireworks in the FT index ended last night at 163.53.3, up on the previous Friday's close.

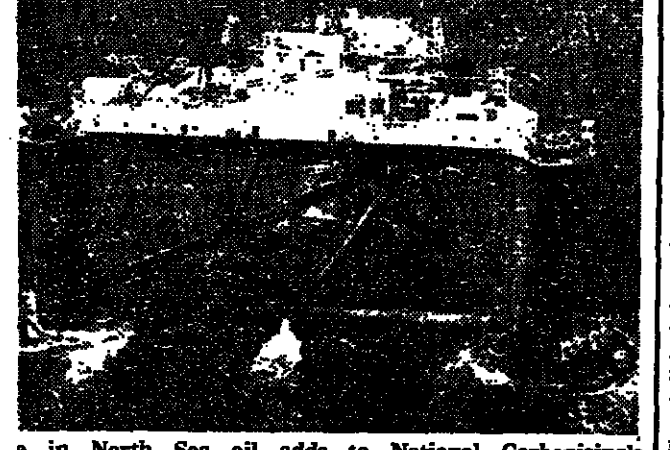
he modest recovery in sterling, following soothing words from the Middle East oil producers, was probably the main reason in laying the foundation for the rally, but the Government's moves to help the property sector—or at least expectation—obviously helped too.

ry shares responded to this week to the Government's decision to bring down business rates to 10 per cent. It remains to be seen, however, if the initial rally will be followed by a more sustained rise throughout the year.

the developers need to see the property investment market in which they can sell their existing portfolio at a profit. In order to do this, they need to see their liquidity immediately. They also need a market in which they can sell, on commission, developments which are not yet started.

Government's move lays a foundation. It will now be able to value reversionary properties again and the value can be sure that in the long term at least rent will rise and reversions will swell.

## Taylor opts for national Carbonising



in North Sea oil adds to National Carbonising's gains.

ns create opportunity. Taylor mused as he was to take a turn on the energy abundance to earth.

m was one alternative, would really be thinking of a couple of Canadian id about three in Australia in South Africa's no meaningful feeling oil companies had to be much joy in re prices over the com-or so.

dy way in, in fact, was the process of the users of mining machinery. Here Bill fancied the particularly National ing, with its special attractions.

er, one cloud that had been overhanging NC heared to have been least temporarily, by ay's decision of the Union of Mineworkers until early January fussion (with the Coal Board) on their a.

lication of that would be that there was now in chance that serious might be avoided.

pe, then, is that NC ble to continue its recovery. In the two years, 1974, the group had d losses of £2.5m, and

le-mecums for the husiastic amateur

MS

## N'thn Foods in muted rally but hopes of turnaround next year

By Our Financial Staff  
After a collapse in interim pre-tax profits from £2.6m to £1.5m, Northern Foods managed a slight improvement in the second-half, bringing the pre-tax total for the 12 months to end September to £4.7m, compared with £5.6m.

Mr. Nicholas Horeley, chairman, says the group's food and drink activities (comprising the milk, milk products, baking and brewing interests) made a good recovery following cost cutting and reorganisation to compensate for poor margins. Milk sales in fact bettered the national average, as has the brewing side, although food products margins experienced severe pressure from increased raw materials and commodities combined with tight Government price controls.

But the most difficult area was evidently the group's

finance division. British Credit Trust, the holding company for the bulk of Northern's instalment credit business, showed a slight improvement in the second-half, bringing the pre-tax total for the 12 months to end September to £4.7m, compared with £5.6m.

Overall, Northern has good prospects for increasing profitability next year, and following encouraging current trading performance, the final dividend is being raised in accordance with counter-inflationary legislation.

The group forecasts some recovery in profits here next year, since most of the business written is short-term and new accounts have been adjusted to the current high rates of interest.

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## Phoenix is worst yet timber trade casualty

By Our Financial Staff  
Phoenix Timber is the latest timber group to report on the steep costs of carrying wood, when the market first began to rise in late September 30. May & Hassell saw its pre-tax profits dive 62 per cent; Montague L. Meyer's profits slid by nearly 50 per cent, and now Phoenix is down an 85 per cent relapse.

Pre-tax profits of Phoenix dived from £1,711,000 to only £281,000, dragged down in addition by a £110,000 loss from an overseas offshoot. By contrast, sales rose from £1,866m to £1,632m, but financial charges swelled from £205,000 to £662,000; and in the latest six months the group provided £300,000 against stocks and forward-purchase contracts. In the same months the year before there was, of course, no such provision.

Earnings a share caved in from 33.7p to 2.65p, but the directors are paying a gross 2.24p, against 2.14p. They report that business is getting no better; but stocks are falling, and it is unlikely that there will be any cash liability for Corporation tax for the year to March 1974, or for the latest half year.

The shares shed 4p to 30p, a new 1973-74 low. The yield is nearly 16 per cent.

## M Hall look to matching £2m pre-tax

The board of Matthew Hall, the London-based industrial engineering group, is forecasting that profits for the year will stay at about £2m pre-tax. A year ago the group had been looking to higher profits, but subsequent events, notably rail, power and fuel disruptions, meant a modification of this target to a matching figure, which is now confirmed. The shares were left unchanged at 47p.

Over the first nine months to September 30 growth was about 8 per cent to £121m including interest received up from £156,000 to £224,000. After a loss of minorities of £4,000, against a profit of £5,000, the attributable declined from £609,000 to £540,000. The half-time payment goes up from 18.7p to 19.5p.

Messrs P. L. Waite, A. R. Brown and C. D. Watson have all been appointed to the company's main board.

RACAL ELECTRONICS  
Turnover so far this year is running at about £50m with the overall interest accounting for 72 per cent.

ASSOCIATED FOOD-LINNEAL  
Formal documents in connection with agreed offer by APH for the takeover of Linnell & Sons has now been posted.

More trusts repay foreign loans  
Three more investment trusts are making substantial repayments of foreign currency loans. City and International Trust is repaying £500,000 to leave a balance of £700,000. General Consolidated is repaying £1.05m to leave £1.75m and Mooragat Investment is repaying £125,000 leaving £200,000.

Briefly  
GEORGE STURLA & SON  
Nominee Assurance Holdings in takeover of 4.3p per share for group. NAB is private investment company in which controlling interest is held by Arnold Cohen and Michael Barnett who is acting for Marjorie Cohen.

T. AND A. NAYLOR  
Turnover for seven months £1.5m (£1.7m). Loss, £134,000 (profit £72,000). No interim dividend (same).

JOHN BOOTH AND SONS  
Turnover for half year, £2.3m (£2.1m). Pre-tax profit, £51,300 (£56,000). Directors hope company will attain a total profit similar to last year's £102,000.

CAMELLIA-JORREHAUT  
Boards of Camellia Investments and Jorrehaut Holdings have agreed terms for merger by scheme of arrangement. Camellia now owns some 72.3 per cent of Jorrehaut.

LUBOK-ELEVATORS & ENG  
Lubok Investments offer for 1.39m of Elevators & Engineering ordinary accepted for £2.4m. Lubok now owns 2.24m shares (93.3 per cent). Offer now unconditional and separate cash offer closed.

Wall Street  
New York, Dec. 20.—The New York stock market staggered under the combined weight of fresh inflation and recession worries to close lower in a modest trading.

The Dow Jones industrial average fell 5.95 points to finish at 598.48.

## Stock markets Active trading in properties

The week ended with a flurry of trading in property and banking shares in response to the Government's relaxation of the squeeze on commercial rents. But shares in the major property groups found it hard to hang on to the gains chalked up in late deals on Thursday, when the market first began to rise.

On 8p to 73p, and other financial issues to move forward included Slater Walker Securities (37p) and Keyser Ullmann (40p). But a dull spot at the close was First National Finance, 1p down at 4p after news that a director was leaving the group.

The early gains among industrial shares were eroded by lunchtime. By the close, Unilever (171p), Connaughts (28p) and Dunlop Holdings (24p) were back to overnight levels, while ICI (127p) had shed a couple of pence.

Similar paths were traced by the heavy engineers, with BLMC rounding off a troubled week at 61p, unchanged on the day and a shade above the low point of 59p reached immediately ahead of the disclosure of the disastrous trading loss.

Some building shares tried to struggle forward on the hope that Government measures would raise the value of the land banks. But by the end of the day, the best rise was in shares of H C James, 10p up at 67p, after a week of rumour that Heron Corporation might increase its stake.

Store and consumer issues had a good session, with reports of good Christmas trading helping offset suggestions that retailers were expecting setbacks in the New Year. Marks & Spencer (104p) and Boots (99p) closed firmly. Trading results from Northern Foods left the shares 1p up at 22p.

Equity turnover for December 19 was £55.5m (£52.74). Active stocks yesterday, according to Exchange Telegraph, were Land Securities, Town & City Properties, National Westminster Bank, English Properties, Great Portland Estates, Commercial Union, Marks & Spencer, Barclays Bank, Lloyds Bank and Bats.

Long-dated Government bonds experienced a quiet, but firm market yesterday. Dealers reported steady demand for stock, which left prices some 1 point higher throughout the "medium" and "long" lists.

Latest dividends  
All dividends in new pence or appropriate currencies.

Company Name Dividend Year Pay date Total 1974 Prev year

Associated Lloyds (5p) Int 1.56 1.5 28.2 2.3 1.67

Charter T4 (25p) Int 1.41 1.12 15.3 2.2 1.67

ERF (Holdings) (25p) Int 2.48 2.25 7.2 3.2 3.28

Matthew Hall (25p) Int 1.95 1.97 — — —

Northern Foods (10p) Int 0.2 0.2 — — —

Phoenix Timber (25p) Int 2.28 2.14 — — —

Wearwell (5p) Int 1.68 1.6 8/2 — —

Jas Scott soars but no payout

On the back of a continuing trend of improvement in the United Kingdom and overseas, pretax profits of James Scott Engineering Group, of Glasgow, are up from £192,000 to £429,000 for the half year to July 31.

Mr. R. Finlay Lockhead, the chairman says that he would be disappointed if the trend indicated by the half year's results is not maintained for the whole year. Last term ended with the group at a peak of £821,000.

Turnover for the half year is ahead from £13.3m to £14.3m. Group profits after tax have increased from £38,000 to £237,000, while the attributable profit is £63,500, against a loss of £12,000. The last dividend was paid in 1972, and Mr. Finlay Lockhead explains that it is still necessary to reestablish the distributable reserves of the parent company so payment must again be passed.

Rothschild Inv  
After management expenses up from £151,000 to £164,000 interest down from £687,000 to £530,000 and tax, net revenue of Rothschild Investment Trust increased from £99,000 to £903,000 in the half to September 30.

Pre-conversion, net asset value per share was 339p (509p) and post-conversion 375p (472p).

Graff Diamonds  
Because of the economic conditions, Graff Diamonds has continued extended credit facilities with the result that in the half to September 30 turnover was down from £746,000 to £621,000 and taxable profits from £252,000 to £150,000.

The cash injection from the reduction in debtors together with deposits previously held, is to be used to raise stocks.

L & G nears solution  
The Takeover Panel Director General, Mr. Martin Harris, yesterday held talks with former model Miss Penny Brahms who still controls property company Land & General Developments. Other parties also attended. Mr. Harris is convening a meeting of the full panel for January 17, when it is tentatively hoped, L & G's affairs will have been resolved. The panel wants the voteless shareholders in L & G enfranchised and three independent directors appointed meanwhile.

No Monitor payout  
There is no interim dividend by Monitor Holidays, against 0.5p, but the board reports that liquidity has improved and a profitable outcome to the year is foreseen. So far taxable profits are down from £230,000 to £159,000, on gross revenue of £2.46m (£2.28m).

Paterson loss  
Coffee essence and food group R. Paterson had a pre-tax loss of £18,000, against a profit of £110,000, in the six months to September 30.

Although not attempting a forecast, the directors are hoping for a better second half, but consideration of an interim dividend is being deferred until March. Last time it was 1.46p.

Lloyds Calif quitting  
The London Interstate Bank says that Lloyds Bank Calif. has decided to leave the bank's reins to its shareholders. The decision follows the acquisition of LBC (formerly known as

Camford at peak  
Record pre-tax profits of 5876,000 (against 5850,000) were again achieved by Luton-based Camford Engineering in the year to September 30. This result was in spite of the conse-

INTERIM STATEMENT

Letraset

Interim Results

Unaudited results for the six months ending 31 October, 1974

1974 1973

Sales (£000) 8147 5559

Profit before tax (£000) 905 1101

Earnings per share (p) 2.25 2.99

Dividend per share (p) 0.369 0.343

Comment: Expectations based on the first quarter's trading were not realised in the second quarter, when stock rationalisation at the retailer level led to a weakness in sales performance.

Prospects: Letraset is a strong and profitable business with an exceptionally favourable market position internationally. Its competitive position is at least as strong today as it has been at any time in the past. With a reduced cost base and vigorous marketing we are well placed to develop the longer term growth in the consumer's demand for our products.

Letraset International Limited, St. George's House, 195 Waterloo Road, London SE1 8JL



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## SAVE & PROSPER GROUP



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